



Annual Report **2025**

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Facts & figures 2025

In EUR million	2025	2024	Change
Revenue	89.1	87.3	2.0%
Recurring revenue	82.0	81.1	1.1%
Share of recurring revenue	92.1%	92.9%	–
Non-recurring revenue	7.1	6.2	13.7%
Share of non-recurring revenue	7.9%	7.1%	–
Blended ARPU (in EUR)	10.01	9.89	1.2%
Number of seats (total)	647,384	665,449	–2.7%
Adjusted EBITDA*	12.6	12.3	2.4%

* Further details regarding these adjustments can be found in the section "Profit and Loss: Staff costs and other operating expenses" of the consolidated management report.



Certified as a
**Top Employer
Germany.**

With more than **54,000 customers**, we are the leading provider of business communications in Europe.

Approximately **650,000 active seats**.

13 branches, a network of **more than 3,000 partners** and active in **23 European countries***.

Development centres located in **Germany, Portugal** and in the Republic of **Kosovo**.

More than 400 employees representing more than 40 nationalities work at NFON.

IMPACT STATEMENT

"We rethink business communication, inspire and connect people to grow together sustainably."

99.9% annual availability for relevant telephony systems and **98% for all web services**, including API interfaces.

Women represent **31.4%** of our total workforce.

Certified to **ISO 27001, ISO 9001** and **ISO 50001** standards for information security, Quality and energy management.

* As a licensed telecommunications company.

Quick links

01 Company

02 Combined management report

03 Consolidated financial statements

04 Further information

NAVIGATION

➤ Next page

◀ Previous page

☰ Contents

● List of abbreviations

⊕ More information

🔗 Internal link to more information

🔗➡ External link to more information

Contents

01 Company 14

Preliminary remark	15
Letter from the Management Board	17
Management team	19
Investor Relations	20
Report of the Supervisory Board	23

02 Combined management report 26

Basic information on the Group	27
Economic environment	37
Group business performance	42
Opportunities and risks	54
Governance	62
Takeover disclosures – Management Board report on disclosures pursuant to sections 289a and 315a HGB	63
Forecast	66
NFON AG (HGB)	69

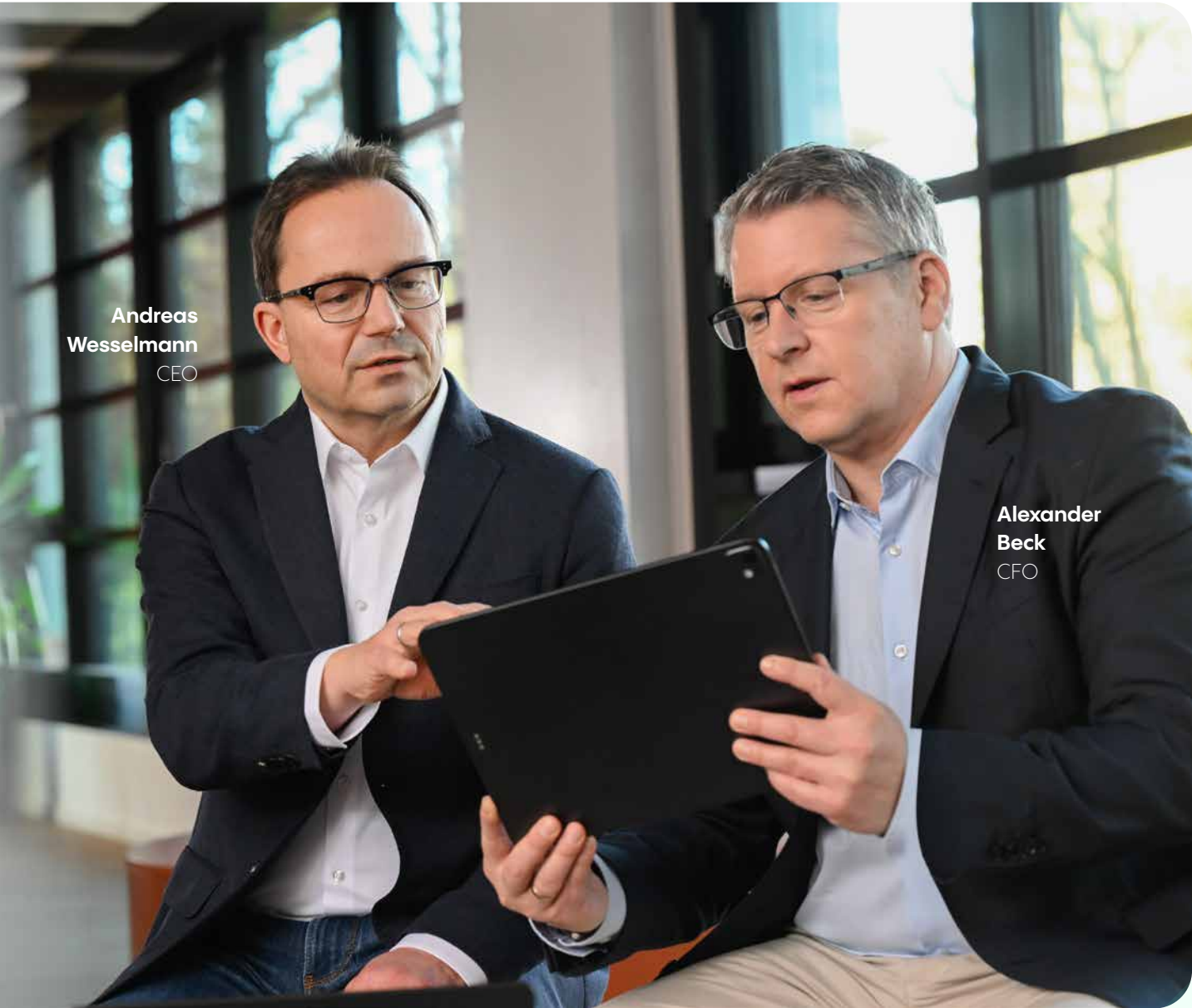
03 Consolidated financial statements 74

Consolidated statement of financial position	75
Consolidated statement of income and consolidated statement of comprehensive income	76
Consolidated statement of cash flows	77
Consolidated statement of changes in equity	78
Notes	80

04 Further information 140

Declaration of the Management Board	141
Independent Auditor's Report	142
Glossary	147
Abbreviations	150
Financial calendar 2026	151
Contact information	151
Imprint	151

Interactive table of contents Click on the individual topics to go to the respective page.



**Andreas
Wesselmann**
CEO

**Alexander
Beck**
CFO

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NFON in transition – a conversation with the Management Board

Business communication is undergoing a transformation, and artificial intelligence (AI) is one of the key drivers of that change. For companies, this raises a very practical question: What does it actually mean in day-to-day operations – such in terms of availability, service quality, processes and productivity?

NFON operates precisely at this area of tension between technological progress and operational implementation.

In this conversation, CEO Andreas Wesselmann and CFO Alexander Beck share their perspectives on how market expectations are evolving, what matters in integrated business communications, and the role that platforms, partners and financial stability play in turning innovation into scalable value.

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Mr Wesselmann, NFON made some important strategic decisions in 2025. From your perspective, what was the main trigger for the transformation?

Andreas Wesselmann: We realised back in 2024 that customer expectations were changing in a fundamental way – driven by cost pressure, faster innovation cycles and the growing demand for automation. Today, customers are no longer looking for individual stand-alone tools. They want integrated solutions that cover business communications as a whole – combining data, automation and intelligent support exactly where processes and customer interactions take place. What really matters is that this works without lengthy projects and integrates seamlessly into existing communication and business systems.

We responded to that early on, including through our acquisition of botario. Our ambition is clear: we aim to deliver market-ready products that customers can use productively straight away – not as a promise of technology, but as a practical application. Another important aspect is “From Europe – for Europe”. Digital sovereignty and European data hosting have become a real purchasing criterion for many customers.

Alexander Beck: Andreas, let me pick up on the topic of “investment” for a moment. For us to manage this transformation with our own resources, 2025 was also a very important year financially. We further improved our profitability, generated solid cash flow and strengthened our liquidity. This stability gives us the flexibility to invest selectively in innovation while continuing to operate in a disciplined way. That’s an integral part of our strategic ambition.

You mentioned a clear strategic ambition.

How does this translate into your market positioning, and what differentiates NFON from its competitors?

Andreas Wesselmann: Our positioning is built around three pillars: first, market-ready products; second, seamlessly integrated AI with a clear transition from AI to human interaction; and third, a distinctly European approach.

In practice, this becomes visible in the effective interplay between conversational and agentic AI and smart business telephony. What ultimately matters is not the technology itself, but the measurable value it creates.



“AI has evolved from a promise of innovation into an operational tool with measurable added value.”

Andreas Wesselmann, CEO



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AI is an operational tool that tangibly improves efficiency, automation and productivity. Routine tasks are automated and handled without errors, processes become more efficient and the handover from AI to human works seamlessly – exactly where it matters most in customer interactions. That gives employees more time and space to focus on higher-value tasks.

Alexander Beck: From a financial perspective, the key point is this: we combine a predictable, recurring business model with growth areas that we are deliberately scaling. That's already reflected in our solid results today. And that's precisely why we prioritise investment and development strictly according to customer value, feasibility and differentiation. Not everything that's technologically possible is strategically meaningful. This discipline is a decisive competitive factor – and it enables us to combine innovation and financial stability over the long term. Taken as a whole, it's a compelling package.

This investment discipline was clearly reflected in our figures for 2025. So let's take a look at the financial side.

Alexander Beck: In 2025 we made progress across our various key financial figures. We achieved moderate growth in both revenue and EBITDA and reached a higher level than ever before. This positive trend is built on the strength of our fundamentally stable business model.

Growth momentum came particularly from the strategically important areas of Intelligent Assistant and Customer Engagement, which performed very dynamically. At the same time, our core business in Business Telephony remained largely stable at a high level.

Another important factor was the quality of our revenue: we further expanded high-margin, recurring revenue components. This improved both our gross profit and our gross margin. Combined with disciplined cost management, this enabled us to increase profitability further, with a slight improvement in the EBITDA margin.

The bottom line is clear: We have grown, we have improved profitability and we are financially well positioned to continue implementing our NFON Next 2027 strategy with determination.

Financial stability creates freedom to act – as you emphasised earlier. How do you ensure that these investments lead to sustainable value creation in the long term?

Alexander Beck: The key point is that we don't invest broadly across the board. Instead, we invest along clearly defined priorities within the NFON Next 2027 strategy, through which we are developing NFON into an AI-based business communication platform. This means we direct investments so that they either strengthen the foundation of our core business or directly support the scaling of our growth areas – particularly surrounding AI.

For us, value creation comes from three components. First, product and platform capability – in other words, whether we create market-ready offerings that can be rolled out at scale. Second, go-to-market capability – meaning whether we can bring these offerings efficiently to market through partners and our sales organisation. And third, financial discipline – ensuring that throughout all of this we maintain a clear focus on profitability and the quality of cash flows.



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“We have grown in terms of both revenue and EBITDA and are now operating at a higher level than ever before.”

Alexander Beck, CFO

We track this consistently using a set of financial and operational metrics: revenue, profitability and cash flow, as well as adoption rates, user numbers, churn, average revenue per user and our share of recurring revenue. This enables us to assess very specifically whether our investments are delivering results – and where we may need to adjust course.

You mentioned scaling. Where will your main focus lie in 2026: product development or market expansion?

Alexander Beck: The two go hand in hand, but the emphasis is shifting. In 2025, we laid important foundations – both technologically and organisationally. In 2026, the focus will be more on extending that foundation: in other words, marketing, scaling and consistent execution in the market.

At the same time, we will continue to invest selectively in innovation – especially in AI – but we will link those investments more closely to specific use cases and market demand. In parallel, we are strengthening our commercial capabilities: sales, marketing, partner enablement and our ability to roll out offerings quickly and consistently. The important point is this: Scaling doesn't

simply mean “doing more” – it means becoming more effective.

Mr Wesselmann, what does it mean in practical terms to further develop NFON as an AI-based business communication platform?

Andreas Wesselmann: Customers today expect integrated solutions rather than isolated stand-alone functions. As a result, the boundaries between traditional UCaaS and AI applications are increasingly blurring. At NFON, AI isn't an add-on – it's an integral part of modern business communications, designed to work in every-day operations: using data, automation and intelligent support exactly where communication and processes take place.

Specifically this means AI functions are embedded in our cloud telephony, for example, and can be integrated into existing systems. What matters most is real-world usability: Solutions must be quick to configure, reliable in operation and designed so that the transition between automation and human interaction works smoothly.



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One example is Nia FrontDesk. Applications like this are available around the clock, can handle standardised requests automatically and enable a clean handover to employees whenever complexity or context requires it.

“AI is no longer an add-on – it’s an integral part of modern business communication.”

Andreas Wesselmann, CEO

You’ve mentioned this transition from AI to humans several times during this interview. Why is that so important in your view?

Andreas Wesselmann: Because in practice that’s exactly where you discover whether AI actually works in customer interactions or not. Many solutions don’t fail because of the technology itself, but because the hand-over is awkward: Information is lost, the context is missing and the customer has to repeat everything – and then automation becomes friction rather than a benefit.

Our goal is for the handover from AI to human interaction in business communication to work seamlessly – not as a marketing promise, but in real operations. That’s

precisely why we don’t view AI in isolation, but as part of an integrated platform. AI is an operational tool that tangibly improves efficiency, automation and productivity.

Mr Beck, AI stands at the centre of your strategic development. The demand is there – but are the products market-ready and can they be monetised?

Alexander Beck: The offerings are available and are already being deployed productively. In 2025, we made significant progress in moving from the technological foundation to market-ready implementation. In 2026, our focus will shift to marketing and scaling. This isn’t a process that happens overnight, but 2026 will show how these solutions evolve at scale.

There are two main levers for monetisation. The first is the broad customer base we already have – around 650,000 users in our Business Telephony business. This creates significant opportunities for upselling and cross-selling within our existing customer base: generating higher value per customer through additional functions and use cases. The second lever lies in customer segments with high inbound volumes and strong efficiency pressure, where demand for integrated AI is

particularly strong – such as in public-sector organisations, retail and e-commerce, as well as larger service organisations.

What role does the platform itself play – in other words, the technological foundation behind these offerings?

Andreas Wesselmann: The platform is the central enabler. We have brought our telephony and AI platforms together so that functions can be delivered in an integrated, modular and scalable way. That’s important because customers have very different requirements – depending on their sector, size and process landscape.

Thanks to the modular architecture, we can roll out functions in a targeted way, integrate existing systems and implement use cases efficiently – from mid-sized companies up to larger organisations. At the same time, this creates the basis for recurring revenues and economically efficient scaling. Updates, enhancements and new functions can be rolled out consistently and more quickly across the customer base.



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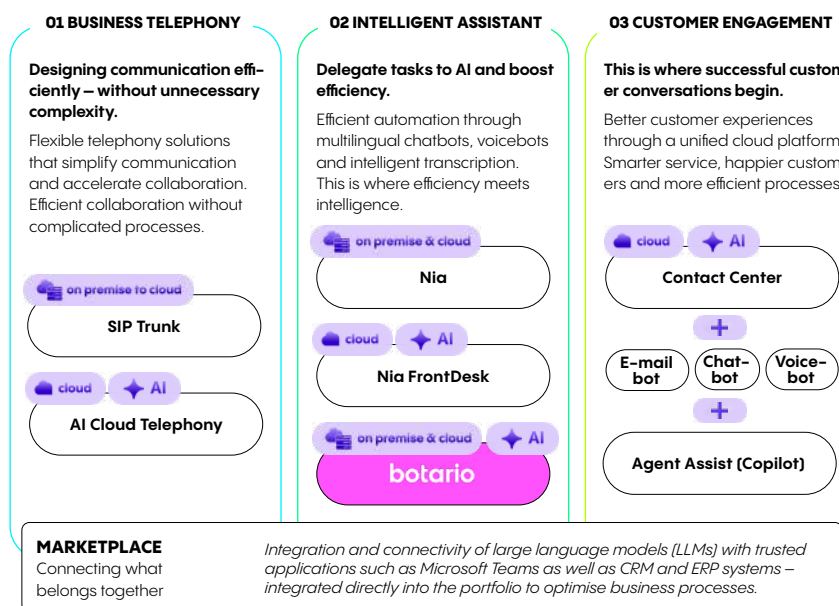
Technological flexibility and economic sustainability go hand in hand here – and that's exactly what you need if you want to establish AI not as an experiment, but as a standard.

Scaling rarely works through technology alone. What role do partners play in your strategy?

Andreas Wesselmann: Partners are a key lever in our scaling strategy. With NEXUS, we have created a structured partner programme that brings together and further professionalises our partner ecosystem and channel. Our goal is to structure roles, incentives and support offerings in a way that enables partners to market, implement and scale our solutions efficiently.

For us, it's not just about sales activities – it's about enablement. Partners act as multipliers and consequently need to understand the solutions, implement them properly and operate them reliably. That's why we invest in partner enablement, clear role and commission models as well as formats that support joint go-to-market activities – most recently NEXUS CONNECT 2026, our partner day

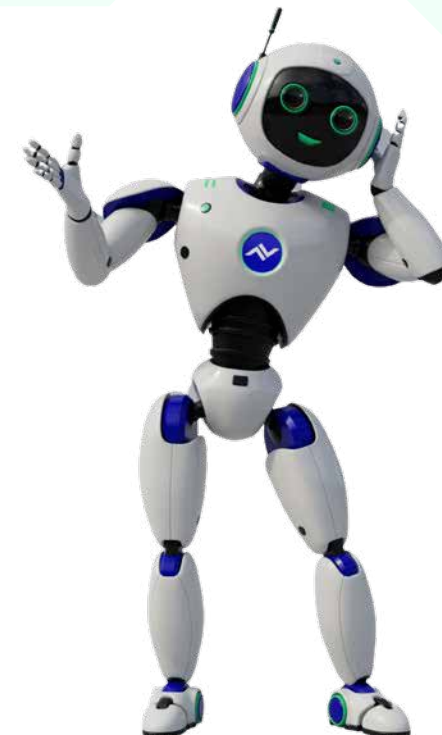
Our goal: Leading provider of AI-based business communications



NFFON is an AI-based provider of business communication solutions, delivering intelligent, cloud-based tools that help companies communicate more efficiently and work more intelligently. By integrating advanced technologies into our platform, we optimise workflows, enhance the user experience and enable businesses to remain agile in a dynamic digital world.

Our product portfolio:

- 01 Business Telephony**
- 02 Intelligent Assistant**
- 03 Customer Engagement**



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at the end of January 2026. At the same time, we are expanding our direct sales activities in areas where we are working with larger customers and more complex use cases.

Alexander Beck: From a financial perspective as well, our channel is an efficient lever for scaling: it gives us access to the market without requiring us to expand our fixed cost base to the same extent. At the same time, it supports predictable, recurring revenue, which in turn strengthens our profitability and the stability of our cash flows. We already generate around a quarter of our revenue outside Germany. Through our partner network, we can also scale internationally without placing a disproportionate burden on the organisation.

If we bring everything together – strategy, finances, AI, the platform and the partner approach – where do you see NFON in the coming years?

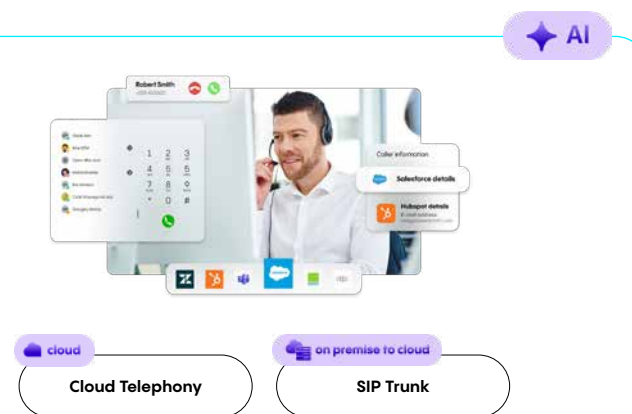
Andreas Wesselmann: Over the coming years, we see NFON clearly positioned in the European market for AI-based business communication

The future of business communication – already today

01 BUSINESS TELEPHONY

Flexible and reliable cloud telephony simplifies business communication and integrates seamlessly with existing business applications. Smart AI functions help make communication processes more efficient.

Alternatively, existing PBX systems and end devices can continue to be used while unlocking the performance and cost efficiency of the cloud via the NFON SIP Trunk.



Demeter

Changing consumer habits have led to significant growth, and Demeter needed a flexible communication solution to support a growing team working from anywhere and on any device.



Product solution: Cloudya Business Premium (cloud telephony)

- Accessible from anywhere
- Centralised management
- On-demand functions
- All channels, one platform
- Seamless plug-and-play integration
- A cost model that scales with business requirements



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solutions. We're continuing to develop our portfolio in a focused way, strengthening our Intelligent Assistant and Customer Engagement areas and relying on an architecture that allows new functions to be rolled out across the customer base. In the end, what matters isn't the number of features, but customer value, adoption and scalability – together with our partners.

"We see NFON as a focused company – clearly positioned in the European market for AI-based solutions."

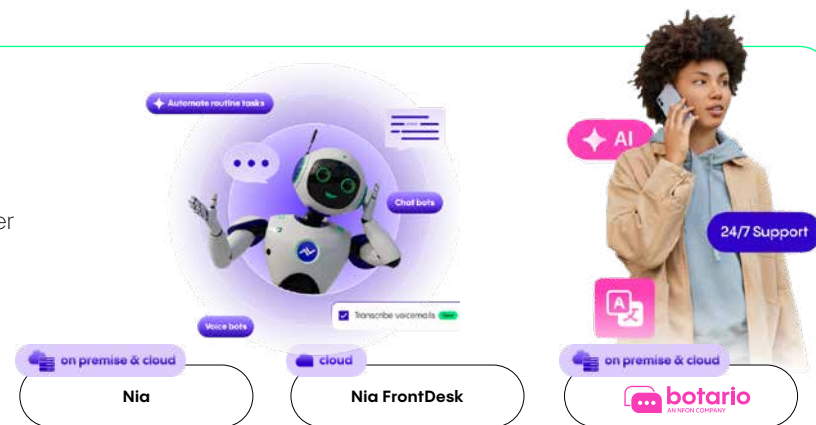
Andreas Wesselmann, CEO

At the same time, the internal perspective is important to us as well. We aim to continue developing NFON as a company – with a strong team that actively shapes this transformation and where the positive development is also reflected for our employees. We're making innovation operationally effective – for our customers, for our partners and for NFON as a company.

Intelligent communication. Higher productivity.

02 INTELLIGENT ASSISTANT

NFON Intelligent Assistant comprises a suite of AI-based applications for business communication. The solution combines intelligent automation, data-driven customer interactions and integrated collaboration. This enables companies to streamline communication processes and effectively support service workflows.



NSK GmbH & Co. KG is a systems integrator with a central service number. Calls are routed efficiently and routine messages are automatically transcribed.

Product solution:
AI Essentials
and Nia FrontDesk



Gesellschaft für Softwareentwicklung
und Managementberatung mbH

top solutions has replaced the previous group call routing with structured AI-based call handling.

Product solution:
Nia FrontDesk



CEWE is redefining customer service – with automation that resolves requests instantly and with empathy, turning every interaction into a positive experience.

Product solution:
botario



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Alexander Beck: From a financial perspective, we're pursuing this path from a position of strength. We have a solid financial foundation that enables us to implement our innovation agenda. Our goal is to combine innovation and growth profitably – continuing to increase both revenue and earnings while consistently strengthening our financial and cash position.

At the same time, we want to remain reliable: with a predictable business model, clear investment priorities and disciplined management based on key metrics. That's how we translate strategy into measurable results.

"We are growing from a position of strength – profitably and sustainably."

Alexander Beck, CFO

Thank you for the conversation.

The interview was conducted in Munich in February 2026.

Customer service reimagined – where AI meets omnichannel

03 CUSTOMER ENGAGEMENT

The NFON Contact Center helps companies simplify contact centre processes while enabling fast and personalised customer service. The solution combines AI-based automation, omnichannel communication and real-time insights to handle service requests efficiently, improve collaboration across channels and deliver a consistent customer experience through a centralised platform.



Dialog Factory

Dialog Factory is a leading B2B service provider based in Augsburg. The company is setting new standards in speed and efficiency. Today, new client projects can be set up within minutes, call flows can be adjusted in real time and service processes can be managed independently.

Product solution: Contact Center

- A flexible, scalable, browser-based platform
- Cloud-native communication
- Structured processes and consistent data through integration with existing CRM systems and open interfaces
- Real-time management
- The result: faster onboarding, improved reporting and more efficient processes

DIALOG **FACTORY**



01 Company

Contents

Preliminary remark	15
Letter from the Management Board	17
Management team	19
Investor Relations	20
Report of the Supervisory Board	23

 **Interactive table of contents** Click on the individual topics to go to the respective page.

Preliminary remark

The Annual Report 2025 of the NFON Group (hereinafter also referred to as "NFON", "the company", "the Group" or "the NFON Group") presents the annual economic performance for the financial year under review and is available at corporate.nfon.com/en/investor-relations/reports. The combined management report for both NFON Aktiengesellschaft (NFON AG) and the Group was prepared in accordance with the provisions of German commercial law, taking into account German Accounting Standard No. 20 (DRS 20). The report covers NFON AG and all subsidiaries controlled by NFON AG (as well as the non-consolidated Meetecho S.r.l.), which are consequently included in the consolidated financial statements.

The combined management report of NFON AG also contains **information not required to be included in the management report**, which is identified by footnotes. This is information that is neither prescribed by law nor required by DRS 20.

The German Corporate Governance Code (GCGC) in the version dated 27 June 2022 requires, inter alia, disclosures on the **internal control system** as well as the **risk and opportunity management system** that extend beyond the statutory requirements for the management report and are consequently excluded from the substantive audit of the combined management report by the independent auditor (information not forming part of the management report).

The **corporate governance declaration and the Group corporate governance statement pursuant to sections 289f, 315d HGB is available on the** corporate.nfon.com/en/investor-relations/reports. The **declaration of conformity** pursuant to with section 161 of the German Stock Corporation Act (AktG) forms part of the corporate governance declaration and is also published on the Internet as required by law. The corporate governance declaration and the declaration of conformity do not form part of the scope of the audit.

The **remuneration report** pursuant to section 162 AktG is available on the corporate.nfon.com/en/investor-relations/reports. It was formally audited pursuant to section 162 (3) AktG; the auditor's report is attached to the remuneration report and is reproduced in full.

In the Annual Report, references are made via **notes** and **hyperlinks** to websites with additional information outside of the combined management report. This is provided solely as supplementary information and serves exclusively to facilitate access to such information. It should be noted that this information does not form part of the combined management report and is consequently also excluded from the substantive audit by the independent auditor.

To avoid duplication of content within the combined management report, we refer, where appropriate, to **further information** in other chapters or sections of the combined management report.

All **financial and non-financial key figures and disclosures** for the reporting period are reported using ERP/consolidation software solutions and provided by the responsible business areas.

Unless otherwise stated, all information in this report relates to 31 December 2025 or the financial year that ends on this date. To keep the report as up to date as possible, we have included all **relevant information available** up to 31 March 2026. The rounding of totals and the calculation of percentages in this report may give rise to minor discrepancies.

This combined management report contains **forward-looking statements and information** that are based on the opinions and assumptions of the Management Board as of the time when the report was prepared. These opinions and assumptions are based on the information that is currently available to the Management Board. All statements contained in this report that are not historical facts are forward-looking statements. Readers are advised to regard these statements with caution. Such forward-looking statements and information are subject to various risks and uncertainties, most of which are difficult to assess and generally lie beyond NFON's control. If one or more of these risks and uncertainties were to occur, or if the assumptions of the Management Board were to prove to be incorrect, the actual results could differ substantially from those described in or implied by the forward-looking statements and information. The relevant risks and uncertainties are described in the [☞ Opportunities and risks](#) and [☞ Risks of the NFON Group sections](#).

Words such as "expect", "believe", "anticipate", "continue", "estimate", "forecast", "intend", "be confident", "assume", "plan", "predict", "should", "strategy", "may", "could", "will", "outlook", "expected development" and "goals" as well as similar expressions relating to NFON indicate these types of forward-looking statements. Apart from our legal disclosure obligations, we are under no obligation to the public to update or correct forward-looking statements due to new information, future events or other developments.

This report contains **statistical data** relating to the telecommunications industry and global economic trends that are taken from publications from various information sources. NFON does not adopt the statistical data contained in this report as its own. Furthermore, this type of data is subject to risks and inaccuracies and may change as a result of various factors, including the factors described above or those described in the [☞ Opportunity and risk management](#) and [☞ Risks of the NFON Group](#) sections and in other parts of the report. Such factors may cause actual developments to differ from the results estimated by third parties as well as from the results presented by NFON.

The consolidated financial statements, the separate annual financial statements and the combined management report were audited by Grant Thornton AG Wirtschaftsprüfungsgesellschaft.

The Annual Report is published exclusively in digital form. It is available in PDF format on our website. The report is available in German and English. In the event of discrepancies, the German version is binding.

Letter from the Management Board



Andreas Wesselmann and Alexander Beck

Dear shareholders,
Dear stakeholders,

The year 2025 was a year of consistent further development for NFON. We have improved both revenue and earnings while implementing our strategic agenda with a clear focus. In doing so, we further strengthened our position in the European market for AI-based business communications.

Business communications are undergoing structural change: customers increasingly expect fully integrated solutions that enhance productivity, increase efficiency, simplify processes and enable automation. At the same time, digital sovereignty and European data management are becoming more important. We have responded by expanding our portfolio and further developing our platform architecture. Telephony and AI functionalities are combined in an integrated, modular and scalable overall architecture that can be flexibly extended and rolled out across markets. Core AI offerings such as our NFON Intelligent Assistant (Nia), AI Essentials and Nia FrontDesk are already deployed and supporting automation in customer interactions as well as more efficient workflows in service-intensive environments.

This strategic direction is reflected in our 2025 financial performance. Consolidated revenue amounted to EUR 89.1 million and adjusted EBITDA to EUR 12.6 million. With recurring revenue accounting for 92.1 percent of our total revenue, our business model is stable and highly predictable. Growth was driven primarily by our Intelligent Assistant and Customer Engagement portfolio areas, while our established core business in Business Telephony remained stable at a high level. At the same time, we further expanded high-margin revenue components and improved profitability.

The strengthened earnings power combined with a solid liquidity and cash flow position give us the financial scope to further accelerate the implementation of the NFON Next 2027 strategy and to make targeted investments in innovation, sales and scaling. NFON Next 2027 forms the strategic framework to position NFON as a leading provider of AI-based business communications in Europe. In 2025, we laid important foundations for this – both technologically and organisationally.

Our focus remains on increasing productivity, simplifying processes and enabling companies to make their communications more efficient. In parallel with the further development of our technology, we have also further refined the commercial basis of our business model. With the NEXUS partner programme and a modular licensing model, we are enhancing structure and simplicity in our partner business and creating the conditions for scalable, partner-led growth. The consistent enablement of our partners is a key success factor in this context.

Looking ahead to 2026, we will invest selectively in innovation – especially in AI – further develop our portfolio and implement additional efficiency measures as part of NFON Next 2027. In this way, we combine growth with reliability.

We would like to thank our employees for their commitment, our partners for their close collaboration, our customers for their trust and the Supervisory Board for its constructive guidance. We would like to thank you, our shareholders, for your trust and support on our journey.

NFON is well positioned – now it is a matter of consistently realising our growth potential.

Yours sincerely,

Andreas Wesselmann
Chief Executive Officer,
NFON AG

Alexander Beck
Chief Financial Officer,
NFON AG

Management team

ANDREAS WESSELMANN

CHIEF EXECUTIVE OFFICER

Directly after completing his studies in mathematics and information technology, Andreas Wesselmann began his career at Germany's largest software company SAP, where he most recently served as a member of the SAP Global Leadership Team in the position of Senior Vice President, SAP HANA Database & Analytics.

With more than twenty years of experience in an international working environment, he has repeatedly demonstrated how innovations can be transformed into scalable business models and how existing cloud software solutions can be expanded reliably and economically.

ALEXANDER BECK

CHIEF FINANCIAL OFFICER

Alexander Beck has more than twenty years of international experience in finance and corporate management with a focus on controlling, transformation and profitable growth. Before joining NFON, he was CFO Central Europe at Accell Group and Managing Director/CFO of Imtron GmbH (MediaMarktSaturn Retail Group). He has also held senior finance positions at MediaMarktSaturn and Nemetschek SE.

With a degree in business administration from the University of Bayreuth, he brings expertise in strategic financial management, turnaround processes and international expansion.



Andreas Wesselmann (left) and Alexander Beck (right)

Investor Relations

A year of consolidation and setting the course for growth

In 2025, NFON AG continued consistently on its chosen path. In an ongoing challenging market environment, the company further strengthened its position as a trusted and valued provider of integrated business communication solutions in Europe. The consistent expansion of the NFON Next 2027 transformation programme had a clear impact: with new, innovative and AI-based solutions, NFON strengthened its credibility as a reliable technology partner on the market. Through targeted investments in technology, infrastructure and premium solutions, the company laid the foundations for sustainable growth in 2025 and is well positioned to grow sustainably in 2026.

With the listing of the NFON share in the Prime Standard of the Frankfurt Stock Exchange, NFON has committed itself to the highest transparency standards in Germany. In 2025, too, the focus remained on open and consistent dialogue with stakeholders. In addition to regular quarterly announcements, the half-year financial report and the Annual Report, NFON held quarterly web conferences for investors and analysts and took part in various investor conferences. Dialogue with investors and analysts took place both in person and virtually.

NFON's website remains a central source of information for all interested parties. The website provides comprehensive information in the [Investor Relations](#) area. This includes annual and sustainability reports, corporate news, mandatory disclosures, share price details and the shareholder structure. It also contains an overview of the [current analyst consensus](#) as well as direct contact details for the Investor Relations team at +49 89 45300-449 or ir-info@nfon.com. In addition, NFON further expanded its social media reach in 2025. [LinkedIn](#) and [Instagram](#) serve as additional communication channels for interested

parties and support the transparent exchange of information with both existing and potential investors and analysts.

Master data of the NFON share

First day of trading	11 May 2018
Number of shares	16,561,124
Type of shares	No-par value registered shares made out to the bearer
Share capital	EUR 16,561,124.00
Voting rights	Each share grants one vote
Security Identification Number (WKN)	AON4N5
ISIN (International Security Identification Number)	DE000A0N4N52
Ticker symbol	NFN
Reuters symbol	NFN.DE
Bloomberg symbol	NFN.GY
Trading segment	Regulated Market/ Prime Standard
Stock exchanges	Frankfurt Stock Exchange/Xetra
Sector	Telecommunications
Designated sponsors	Baader Bank, ODDO BHF
Coverage	Baader Europe (Alpha Value), NuWays, ODDO BHF
Paying agent	Baader Bank Aktiengesellschaft



For more information about corporate governance, please visit corporate.nfon.com

High approval rate at the Annual General Meeting

The Annual General Meeting of NFON AG was held on 26 June 2025. Numerous shareholders took this opportunity to engage in personal dialogue with the Supervisory Board and the Management Board. A key feature of this event was the dual transformation, underscoring NFON's claim to leadership in the AI-based business communications area.

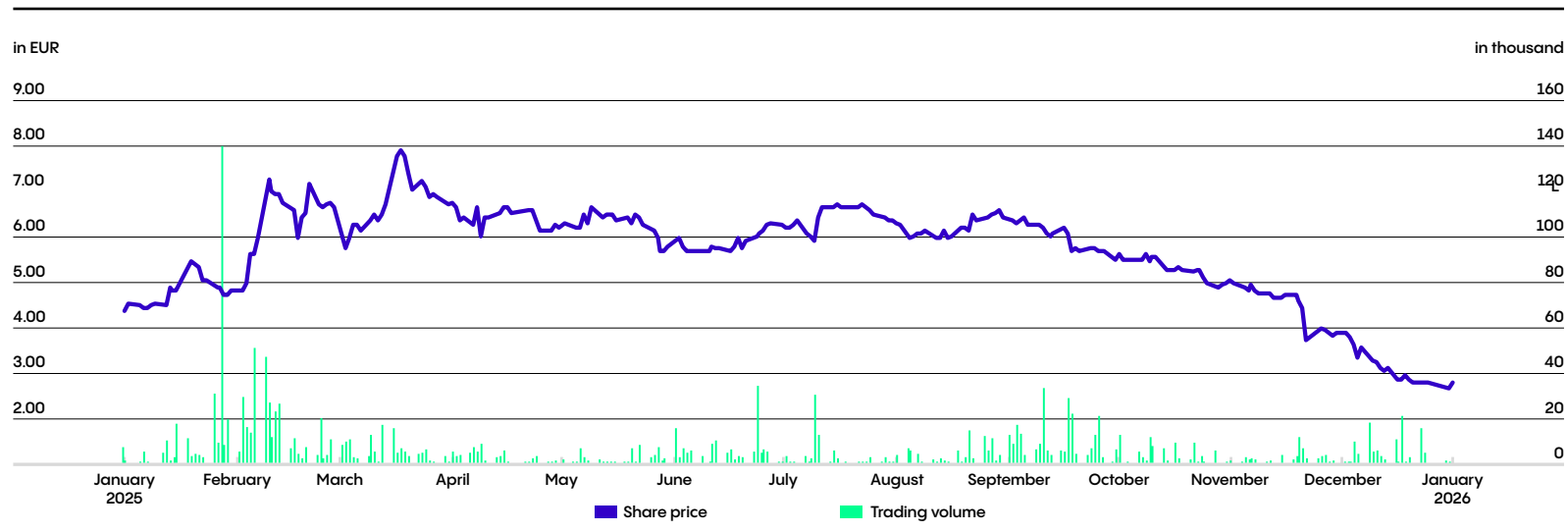
A total of 88.1% of the share capital was represented. The shareholders confirmed by a large majority the course taken and approved all agenda items. Grant Thornton AG, Wirtschaftsprüfungsgesellschaft, Munich, was confirmed as the auditor of both the separate financial and the consolidated financial statements for the financial year 2025. The voting results of the Annual General Meeting 2025 can be downloaded from [NFON's corporate website in the Investor Relations/Annual General Meeting](#) area.

Share price performance and trading volume

The NFON share price reflected volatile performance overall over the course of 2025. The share started the year at EUR 4.96 on 2 January 2025. Over the course of the following weeks, the share price rose significantly and reached its high for the year of EUR 8.20 on 18 March 2025. Thereafter, the price fluctuated with several interim peaks. On 29 December 2025, the share price touched its low point for the year at EUR 3.46 before closing the year at EUR 3.58. The NFON share recorded a change of –27.82% over the course of the year.

The trading volumes of the NFON share on the Xetra platform averaged 6,295 shares traded per day in 2025, with average trading turnover amounting to EUR 38,328.20 per day. Trading turnover was lower in the second half of the year than in the first half.

Share price performance chart



Analyst recommendations and trading data

The NFON AG share was continuously evaluated by three analysts during 2025: Baader Europe (Alpha Value), ODDO BHF and NuWays. Two of these three analysts have been recommending the share as a “buy” since the beginning of 2025. The average target price in March 2026 was EUR 6.10. All analysts’ detailed recommendations and price targets are listed in the table below “NFON AG – Frankfurt Stock Exchange (Prime Standard)”. The IR team at NFON AG maintains close dialogue with the analysts covering the company. When relevant events occur, they pass on their current assessments to capital market participants in the form of updates or comments.

NFON AG – Frankfurt Stock Exchange (Prime Standard)

Coverage

(As of March 2026)

Baader Europe (Alpha Value)	Buy	EUR 5.59
NuWays	Buy	EUR 8.70
ODDO BHF	Underperform	EUR 4.00
Average	Buy	EUR 6.10

Trading data*

	In EUR
Closing price (30.12.2025)	3.58
High for the year (18.03.2025)	8.20
Low for the year (29.12.2025)	3.46
Market capitalisation as of 30.12.2025	59.3 mill.
Average trading volume	38,328.20 EUR/day

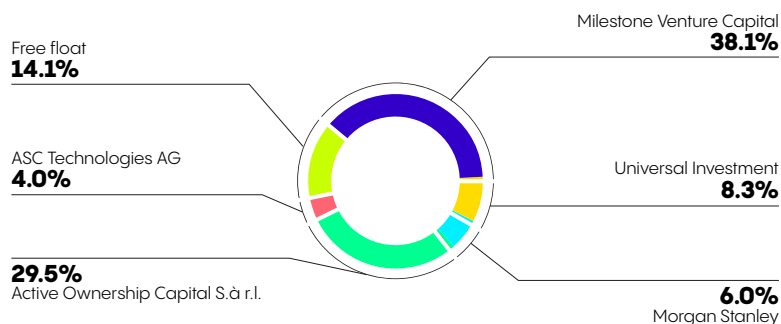
* All trading data: Xetra.

Our investor base (April 2026)

Based on the most recently published voting rights notifications, the shareholder structure of NFON AG is as follows:

Shareholder structure

Shareholders	Share in %	Country	City
Milestone Venture Capital	38.1	Germany	Hösbach
Active Ownership Capital S.à r.l.	29.5	Luxembourg	Grevenmacher
Universal investment	8.3	United Kingdom	London
Morgan Stanley	6.0	USA	Wilmington, Delaware
ASC Technologies AG	4.0	Germany	Hösbach
Free float	14.1		



On the basis of voting rights notifications from shareholders and in accordance with the definition of Deutsche Börse Group, the free float of the NFON share as of 13 April 2026 amounts to 14.1% (April 2025: 13.3%).

Report of the Supervisory Board

In the past financial year, the Supervisory Board of NFON AG (the “company”) performed the duties incumbent upon it in accordance with the law, the Articles of Association and the Rules of Procedure and intensively accompanied the management of the business by the Management Board in fulfilment of its advisory and supervisory function. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The Management Board informed the Supervisory Board in writing and verbally about the business situation and business performance, the current earnings situation, the risk situation, risk management, short- and long-term planning as well as investments and organisational measures. The Chairman of the Supervisory Board was in close contact with the Management Board at all times and was kept regularly informed about trends in the business situation and about important business transactions.

The Supervisory Board voted on the decisions or measures of the Management Board that require approval according to the law, the Articles of Association or the Rules of Procedure of the Management Board, as well as on other decisions of fundamental importance, after careful examination and consultation. The resolutions were based predominantly on the reports and resolution proposals of the Management Board, which the Supervisory Board had examined in detail. The Management Board and the Supervisory Board worked together constructively in 2025 and thereby supported the company’s continuous further development.

Composition of and changes on the Supervisory Board

In the financial year 2025, the Supervisory Board consisted of the following persons throughout the year:

- Rainer Koppitz (Chairman of the Supervisory Board and member of the Audit Committee), entrepreneur, Munich
- Günter Müller (Deputy Chairman of the Supervisory Board and member of the Audit Committee), Managing Director of Milestone Venture Capital GmbH and Executive Chairman of ASC Technologies AG, Hösbach
- Dr Rupert Doehner (member of the Supervisory Board), Lawyer, Munich
- Florian Schuhbauer (member of the Supervisory Board and Chairman of the Audit Committee), Founding Partner and Managing Director of Active Ownership Advisors GmbH, Frankfurt am Main, and Active Ownership Capital S.à r.l. and Active Ownership Corporation S.à r.l., both Grevenmacher, Luxembourg

Meetings of the Supervisory Board and focus areas of consultations

In the financial year 2025, the Supervisory Board held four ordinary meetings. All Supervisory Board members attended all meetings. Three of the meetings were held as videoconferences, and one as an in-person meeting. The Supervisory Board also passed eleven resolutions by circulation. At the ordinary meetings held on 26 June, 2 October and 9 December 2025, the Supervisory Board also met in closed session in each case. The Supervisory Board also discussed urgent and important issues in closed session in numerous informal telephone calls and telephone conferences between meetings.

⊕ For more information about corporate governance, please visit corporate.nfon.com

The main areas of focus of the Supervisory Board's meetings in the financial year 2025 were the following topics:

- Restructuring and reappointment of the Management Board
- Current situation and future strategic direction, especially of activities in the area of artificial intelligence
- Adoption and approval of the audited separate financial statements and of the consolidated financial statements, including the combined management report for both the parent company and the Group for the financial year 2024
- Monitoring of the liquidity situation
- Improvement in forecasting and planning quality
- Preparation of the Annual General Meeting held on 26 June 2025
- Report on the risk situation and on risk and compliance management as well as resolutions and the Declaration on the German Corporate Governance Code (GCGC)
- Variable remuneration for the members of the Management Board in 2024 and 2025
- Discussion and review of the 2026 – 2030 budget of the NFON Group

The Management Board informed the Supervisory Board on a regular basis concerning the net assets, financial position and results of operations of NFON AG and of its subsidiaries and associated companies.

The Supervisory Board reviewed and approved the budget planning for the financial year 2026 prepared by the Management Board. It advised on and reviewed the strategic orientation of the company and the Group on the basis of medium- and long-term company planning. The Supervisory Board analysed and reviewed in detail the information received from the Management Board. It paid particular attention to corporate governance, especially the internal control system, Internal Audit, the risk situation and risk management.

In the circular resolutions, the Supervisory Board predominantly gave its approval to transactions which, although not of strategic importance, require approval according to the rules of procedure of the Management Board and were, at the same time, time-critical.

Annual separate and consolidated financial statements and Group management report

The Annual General Meeting of the company on 26 June 2025 appointed Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich ("GT"), as the auditor of NFON AG for the financial year 2025. The Supervisory Board subsequently engaged GT with the audit of both the separate and the consolidated financial statements of the company for the financial year 2025.

The Management Board has prepared the annual financial statements in accordance with the provisions of commercial and stock corporation law governing financial accounting and consolidated financial statements pursuant to section 315a (3) HGB in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as the supplementary provisions of commercial and stock corporation law. GT audited the separate annual financial statements and the consolidated financial statements, including the related combined management report, together with the company's underlying financial accounting records. The audit was conducted pursuant to the provisions of the German Commercial Code and the generally accepted standards for the audit of financial statements as promulgated by the Institut der Wirtschaftsprüfer (IDW). The auditor's audit and the review by the Supervisory Board did not lead to any reservations or objections. The auditor issued the legally required audit certificates without qualification.

First the Audit Committee and subsequently all members of the Supervisory Board received the special documentation relevant to the financial statements, in particular the documents relating to the separate annual financial statements and the consolidated financial statements, the combined management report and the associated audit reports, from GT in good time before the Supervisory Board's financial accounts meeting on 14 April 2026. The Supervisory Board's Audit Committee dealt in detail with the aforementioned documents in preparation for this meeting. At the financial accounts meeting, the separate annual financial statements, the

consolidated financial statements and the combined management report were discussed in detail with the Management Board. The Audit Committee and the Supervisory Board independently examined the separate annual financial statements prepared by the Management Board as well as the consolidated financial statements and the combined management report for their legality, correctness, expediency and economic efficiency. The two responsible auditors from GT attended the meeting of the Audit Committee on 1 April 2026. They reported on the audit, commented on the focus areas of the audit and were available to the Audit Committee to answer additional questions and provide information.

Among other areas, the Audit Committee focused on the internal control system (ICS). This forms an integral element of the company-wide control and risk management system, including the compliance management system (CMS). The objective of the ICS is to implement controls to provide reasonable assurance for company-wide processes, such as ensuring that the financial statements and the combined management report are prepared in accordance with the applicable regulations.

The internal control system and risk management system of NFON AG also cover sustainability-related objectives. This includes processes and systems for the collection, processing and external reporting of sustainability-related data. Regular monitoring with the aim of remedying identified weaknesses forms part of the ICS and RMS, including the CMS. On the basis of such findings, the Audit Committee particularly monitors the ongoing improvement of the ICS and RMS, including the CMS. During the financial year under review, isolated weaknesses were identified in certain areas of the internal control system (ICS), the risk management system (RMS) and the integrated compliance management system (CMS) as part of internal audit activities and external audits. These were addressed and appropriate measures were initiated to further develop and strengthen the systems and improve processes. The Audit Committee assumes that, following the implementation of the measures initiated, the identified weaknesses will no longer impair the adequacy and effectiveness of the ICS, the RMS and the integrated compliance management system.

After detailed examination of the separate annual financial statements and the consolidated financial statements as well as the combined management report and remuneration report for the financial year 2025, the Supervisory Board raised no related objections. The Supervisory Board concurred with the audit findings of GT and approved the separate annual financial statements, the consolidated financial statements and the remuneration report of NFON AG. The annual financial statements of NFON AG were thereby adopted.

The Supervisory Board would like to thank the members of the Management Board and all employees for their great commitment and performance in the financial year 2025.

Munich, April 2026

For the Supervisory Board

Rainer Koppitz

Chairman of the Supervisory Board

02 Combined management report

Contents

Basic information on the Group	27
Economic environment	37
Group business performance	42
Opportunities and risks	54
Governance	62
Takeover disclosures – Management Board report on disclosures pursuant to sections 289a and 315a HGB	63
Forecast	66
NFON AG (HGB)	69

 **Interactive table of contents** Click on the individual topics to go to the respective page.

Basic information on the Group

Business model

Group structure and business activities

The NFON Group ("NFON", "the company", "the Group", "the NFON Group") was founded in 2007 and is a European provider of integrated business communications with a focus on AI-based applications. NFON, with its Group management based in Munich, employs approximately 430 people. The Group is represented by its own companies in Germany, Austria, the United Kingdom, Spain, Italy, France, Poland, Portugal and Kosovo. NFON Aktiengesellschaft (NFON AG) acts as the parent company and is also headquartered in Munich. The breakdown into segments reflects the individual consolidated subsidiaries of the NFON Group.

The NFON Group has been a full local exchange carrier in Germany since 2023, which reduces its reliance on suppliers and enables it to act independently as well as with speed and flexibility in executing customer projects. In addition, NFON has obtained important certifications such as ISO 9001, ISO 27001, ISO 50001 as well as the BSI C5 Type 2 certificate and successfully completed the Telekom Privacy and Security Assessment procedure. These are documented in detail in the [Compliance](#) area on the corporate website.

NFON solutions are used by around 54,000 customers in 27 countries. In turn, 21 of these countries are European countries. [Sales](#), support and technical connections are mainly provided via a network of around 3,000 partners. Around 70% are attributable to direct customers from the dealer partner/distributor segment, while the remaining 30% are connected via wholesale partners. NFON is active as a licensed telecoms company in 23 European countries.

The NFON Group generates most of its revenue by providing cloud-based telecommunication services to business customers, most of which are to be allocated to the Business Telephony area. NFON distinguishes between recurring and non-recurring revenue. Further information can be found in the [Consolidated revenue and consolidated seat growth](#) section.

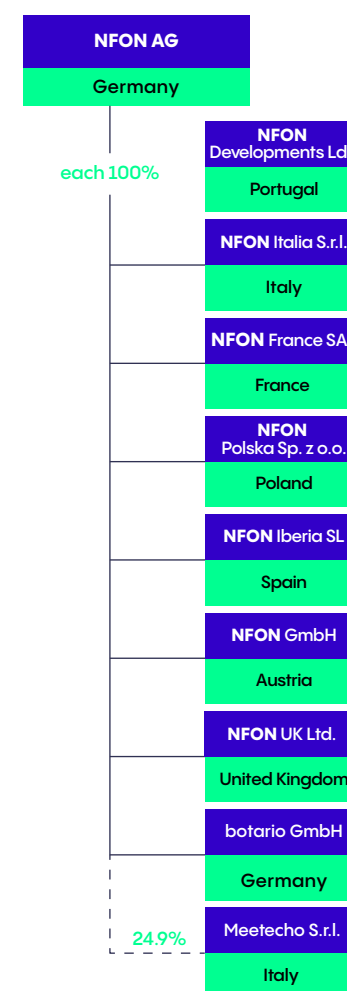
Products and markets

Europe remains the core market of the NFON Group, with a special focus on the region comprising Germany, Austria and Switzerland, with Germany in particular representing the largest single market. NFON's business activities are focused on market segments in which companies use cloud-based communication and service solutions. With a strong base in the SME sector and the expansion of AI-based product innovations, NFON is consistently evolving from a provider of pure cloud telephone systems into a platform provider for intelligent business communications, with solutions that today also meet the requirements of enterprise customers. As part of the NFON Next 2027 strategy, the service portfolio is to be expanded into a modular and further-integrated service architecture comprising four central areas: Business Telephony, Intelligent Assistant, Customer Engagement as well as Integrations.

Business Telephony

Business Telephony continues to form the technological basis of the offering. This comprises cloud-based telephony functions, SIP trunking as well as supplementary services for secure and scalable corporate communications. AI-based functions – such as voicemail transcription and automated pre-qualification of incoming calls – are gradually being integrated to enhance efficiency and user-friendliness. End devices – such as desk telephones and further hardware – are provided by partners and supplement this service area.

Group structure and locations



In the business and cloud communications market segment – a sub-segment of Unified Communications as a Service (UCaaS) – NFON addresses the market for cloud-based voice communications and hosted telephone systems. Cloud communication comprises the provision of voice, video, messaging and collaboration services via internet-based IP networks and forms the basis of modern communications for many medium-sized companies. With the increasing integration of AI-based functions, traditional telephony is consistently evolving towards integrated communication solutions in which voice, chat and video interact seamlessly.

Intelligent Assistant

In the Intelligent Assistant area, NFON provides solutions that support communication and management processes through AI-based automation. The portfolio includes multilingual chatbots, voicebots and assistance functions for recurring interactions, such as in customer service, appointment processes and internal workflows. botario GmbH, which was acquired in 2024, is fully integrated into this product area.

With these solutions, NFON addresses the market for automation, voice processing and process-supporting applications with the aim of making service and management processes more efficient.

Customer Engagement

Customer Engagement comprises solutions for the structured processing of incoming communication processes, especially the Contact Center. AI-based functions such as intent-based routing, agent assistance and real-time analyses are used here, which support the processing of customer queries.

The Customer Engagement area addresses the European market for contact centre and customer interaction system (CCaaS) solutions. This comprises cloud-based platforms for handling and managing customer communications across voice, chat, e-mail and social media channels and is used for the structured processing of incoming and outgoing customer contacts.

Integrations

The Integrations area bundles Application Programming Interfaces (APIs), integrations and partner solutions that enable the smooth integration of NFON services into existing IT system landscapes. This area supports companies in setting up interoperable and scalable communication environments.

The Integrations area is aimed at a growing market for integration and API-based platforms that link communication services with existing IT systems. Companies are increasingly favouring platforms that can be seamlessly integrated into CRM, ERP or collaboration tools. This is based on APIs, which enable standardised and flexible connection of different systems.

Sales

Sales are conducted through five channels with a clear focus on sales via dealer partners.

Dealer partners: The dealer partner has its own customer base and acquires new customers to which it sells NFON products and solutions. The dealer provides services for these customers. NFON delivers the contractually agreed services to the customer and pays the dealer partner a commission.

Distributors: Distributors operate their own dealer networks and serve as an intermediary between dealer and manufacturer or service provider by placing the respective product in their own dealer network. Typically, they do not market NFON's services themselves.

Wholesale partners: NFON enters into sales agreements with wholesale partners to accelerate the expansion of its customer base. NFON provides services to wholesale partners, including as a white label solution, if requested. In these cases, the wholesale partners market NFON's services to end customers under their own brands or co-branded under both their own brands and the NFON brand. A direct contractual relationship be-

tween the end customer and the NFON Group only exists in the case of the purchase of voice minutes; here, the NFON Group concludes a separate contract with the end customer.

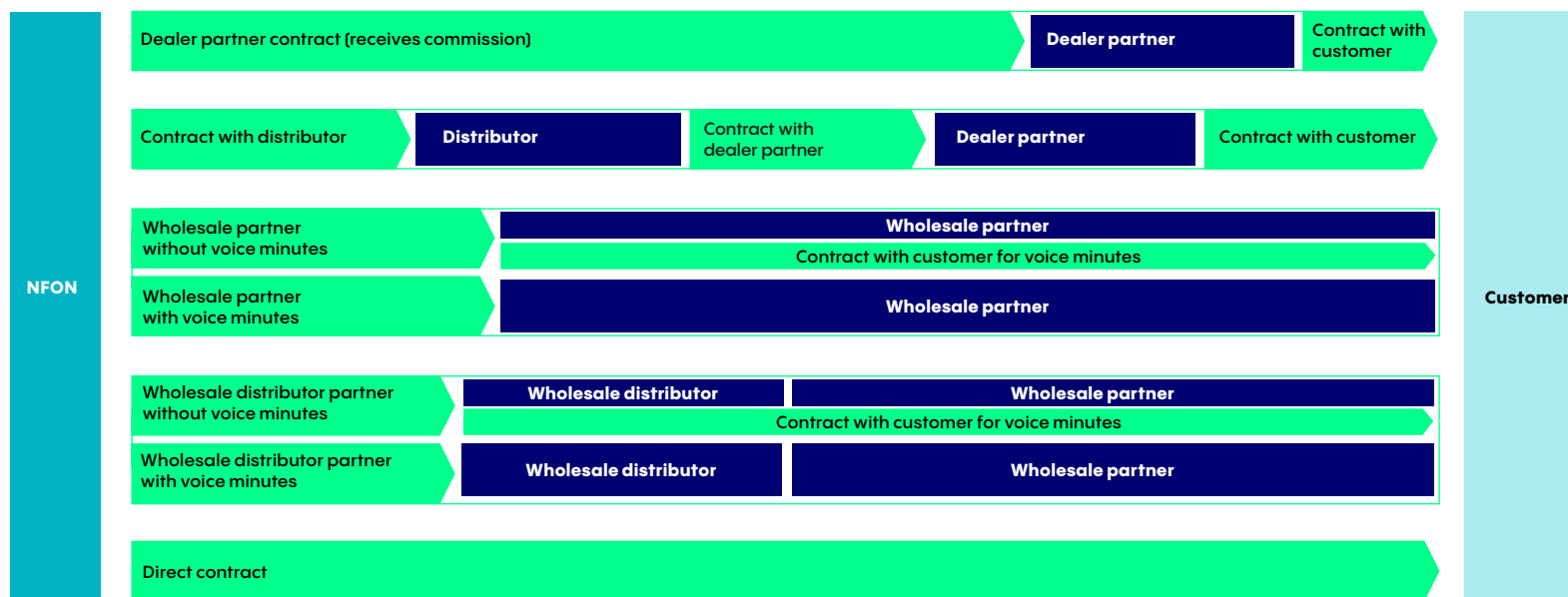
Wholesale distributors: Wholesale distributors have further wholesale partners, in other words, their own network of wholesale partners to market NFON's services. Here, too, a distinction is drawn between cases with and without the purchase of voice minutes; if voice minutes are purchased, the NFON Group concludes a separate contract directly with the end customer.

Direct contract: The focus here is on indirect sales. Accordingly, the partner account managers primarily support the sales partners of NFON AG in sales negotiations as well as when technically complex solutions are being offered. Project-related direct contracts can be concluded with major customers that have their own IT resources and can ensure the operation of the solutions independently.

External influencing factors

The external factors influencing the NFON Group's business are listed and explained in the [🔗 Opportunities and risks](#) section.

NFON contractual relationships



Research and development

In the financial year 2025, NFON's activities in the research and development (R&D) area focused on the further development of the technological basis, the functional expansion of existing communication solutions and the systematic expansion of artificial intelligence. The focus was on stabilising and modernising the infrastructure and platform, further developing cloud telephony, integrating AI-based functions into the product landscape and optimising the Contact Center solution. These measures were aimed at increasing the performance, scalability and reliability of NFON solutions at and expanding their usability in customer environments.

Infrastructure and platform

The modernisation of the core infrastructure initiated in the previous year was continued in 2025. This included investments in the three geo-redundant data centres in order to enhance the reliability and stability of the cloud PBX. The central authentication and authorisation system was further expanded. In addition to extended multi-factor authentication, additional identity providers have been integrated for the single sign-on (SSO) procedure. This improves both security and integration into customer IT landscapes. The new central administration portal was further developed, and completely replaced the previous service portal. It offers extended search, configuration and administration functions.

Cloud telephony

Development work in the cloud telephony area focused on functional enhancements, deeper integration into customer IT systems and improved usability. To this end, programming interfaces have been expanded, synchronisation of availability information between NFON Cloud Telephony and Microsoft Teams has been improved and the software-based telephone has been modernised with additional integration and provisioning functions. In addition, the desktop application has been revised to enable more flexible use in parallel work processes and the automated provision of desk phones has been technically enhanced and supplemented with two-factor authentication. Integration into Apple CarPlay also enables the use of business telephony in the vehicle environment.

AI-based functions

The expansion of artificial intelligence formed a further focus of R&D activities in 2025. With the integration of botario GmbH, the development of AI-based functions was expanded. A significant result was the introduction of the NFON intelligent assistant Nia, which offers users contextualised support. In addition, functions such as automatic transcription and summarisation of calls as well as text-based analysis of voice messages were provided in business telephony. With Nia FrontDesk, an AI-based system was also developed to pre-qualify incoming calls, which automatically answers basic requests and forwards more complex enquiries in a targeted manner.

Contact centre solution

In 2025, the further development of contact centre solutions focused on improving integration with the telephony platform and on optimising central processes. By expanding automated functions and standardising the user interface, the stability of the solution was enhanced and the processing of customer enquiries was systematically supported. This includes the introduction of a common interface for chat, voice and e-mail bots within the omnichannel agent cockpit as well as the harmonisation of language-dependent user guidance to ensure a uniform operating logic across different locations. Furthermore, functions for analysing and structuring incoming interactions have been further developed in order to make service and work processes more efficient.

Investments in research and development

In the reporting year, R&D expenses for product development across the Group amounted to EUR 16.0 million (previous year: EUR 10.2 million), corresponding to approximately 18.0% (previous year: 11.7%) of Group revenue. Of this amount, development costs of EUR 2.8 million (prior year: EUR 2.5 million), incurred both internally and by external service providers, were capitalised as intangible assets. These related primarily to the further development and customisation of the internal Business Support System. The capitalisation rate in the reporting year amounted to 17.6% (previous year: 24.6%). Scheduled amortisation of capitalised development costs was recognised in the amount of EUR 2.7 million (previous year: EUR 3.7 million).

Strategy and goals

In the financial year 2025, the NFON Group further specified the NFON Next 2027 strategy that it introduced in the previous year and transitioned it to operational implementation, focusing on consolidation, prioritisation and the gradual implementation of the strategic measures. Securing sustainable, profitable growth and setting standards in AI-based business communication are the central ambitions of NFON AG. In this context, the guiding principle – “We rethink business communication, inspire and connect people to grow together sustainably” – characterises all strategic measures and innovations at the NFON Group. NFON sees itself as a long-term partner for companies and supports them in using modern business communications effectively on the basis of a deep understanding of local requirements, a consistent focus on compliance, data protection and reliability as well as a strong market presence. The aim is to provide companies with powerful tools that strengthen their competitiveness in an increasingly globalised environment without compromising regional identity or corporate values.

Sustainability forms an integral part of the corporate strategy and the basis for our long-term commitment to environmental, social and economic responsibility. The sustainability strategy that was approved in 2024 was further implemented in the financial year 2025 and embedded in relevant corporate processes. The focus was on continuing the defined measures in a structured manner, specifying internal responsibilities and improving data collection for sustainability metrics.

NFON's growth ambitions, as well as the measurement of performance based on key performance indicators, remain unchanged. We expect that the success of the strategy will be reflected in the Group's long-term competitiveness. The Management Board is responsible for the planning, management and monitoring of business development based on key performance indicators. The performance indicators relevant to management are set out in the [☞ Management of performance indicators](#)

NFON Next 2027



section; the results achieved in the financial year are presented in the [☞ Group business performance](#) section. Expectations regarding future trends and developments are set out in the [☞ Forecast](#) section. Further information on the sustainability strategy and related targets can be found in the separate [☞ sustainability statement 2025](#).

Strategic priorities up to 2027

Promoting sustainable growth

NFON relies on the strength and profitability of its core products as well as the continuous expansion of its user base to ensure sustainable and profitable growth. A clear focus on customer benefits, quality and reliability remain central. At the same time, NFON is further developing its business models, strengthening its market position and enhancing the efficiency of its operations in order to remain competitive in the long term. A key element of further development is the consistent assurance of compliance with modern security and compliance standards, ensuring a reliable and trustworthy operating environment for customers.

Measures in the financial year 2025

- Integration of Deutsche Telefon Standard
- Harmonisation of the portfolio
- Further development of the commercial set-ups

A leading role in AI

With scalable, AI-based functions, NFON is expanding its product portfolio and strengthening its range of smart business communications for customers. The integration of AI-based solutions forms a key part of the innovation strategy. Modern AI technologies, such as bots, enable the automation of workflows and support efficient processes, whereby applications can be adapted to customer-specific requirements. Further AI-based functions such as NFON Intelligent Assistant improve the user experience, support onboarding and self-service processes, and enhance the quality of customer contact.

Measures in the financial year 2025

- Market launch of AI products Nia FrontDesk and AI Essentials
- Integration of botario GmbH into the product architecture
- Establishment of a dedicated AI sales organisation

Stronger focus on partners and customers

NFON is evolving into a customer- and partner-centric company that aims for long-term relationships and high customer satisfaction levels. Optimising the customer journey plays a central role here: NFON analyses and improves the entire customer and partner life cycle in order to develop personalised and efficient approaches that not only enhance satisfaction but also foster sustainable relationships. The aim is to identify the needs of our customers and partners at an early stage, simplify processes and continuously raise quality standards. In this context, the partner network is an important platform for building sustainable business relationships and achieving continuous growth.

NFON offers its partners reliable technologies and services that enable them to support medium-sized companies. A structured partner programme includes training, certification as well as supporting sales and marketing measures and promotes joint success through close cooperation. NFON is also working closely with companies that specialise in AI solutions in order to expand its portfolio and intensify collaboration with its partners.

For customers: NFON's solutions reduce complexity and make it easy to get started with digital business communications. These offer reliability, low implementation costs and efficient scalability. Communication solutions that improve workflows and enhance the customer experience help to increase operational efficiency and improve customer loyalty.

Measures in the financial year 2025

- Launch of a modular licensing model
- Further development of the partner programme
- Optimisations of the customer journey

Establishing efficient structures

A scalable and flexible operating model forms the basis for sustainable organisational performance. Clear processes, unambiguous responsibilities and established working methods support efficient workflows and enable fast, fact- and data-based decisions.

Measures in the financial year 2025

- Modernisation of the internal system landscape
- Systematic identification and prioritisation of automation potentials
- Automation of complex business processes

Positioning as a performance leader

NFON pursues a corporate culture based on clear responsibility, continuous development and rapid implementation. The aim is to position NFON as an attractive employer and high-performance provider.

Measures in the financial year 2025

- Strengthening employer attractiveness and Group-wide identity
- Introduction of a Group-wide leadership programme
- Optimisation of the recruitment and onboarding process

The strategic measures are aimed at sustainably influencing both our financial and non-financial performance indicators. These indicators are reviewed at regular intervals and adapted as necessary to ensure they correspond to the company's changing requirements and objectives. Further information can be found in the [☞ Management and significant performance indicators](#) section.

Management and significant performance indicators

Management and control

In operational matters, the Management Board of NFON AG works together closely with further managers throughout the entire NFON Group. A Supervisory Board consisting of four members monitors the activities of, and consults with, the Management Board.

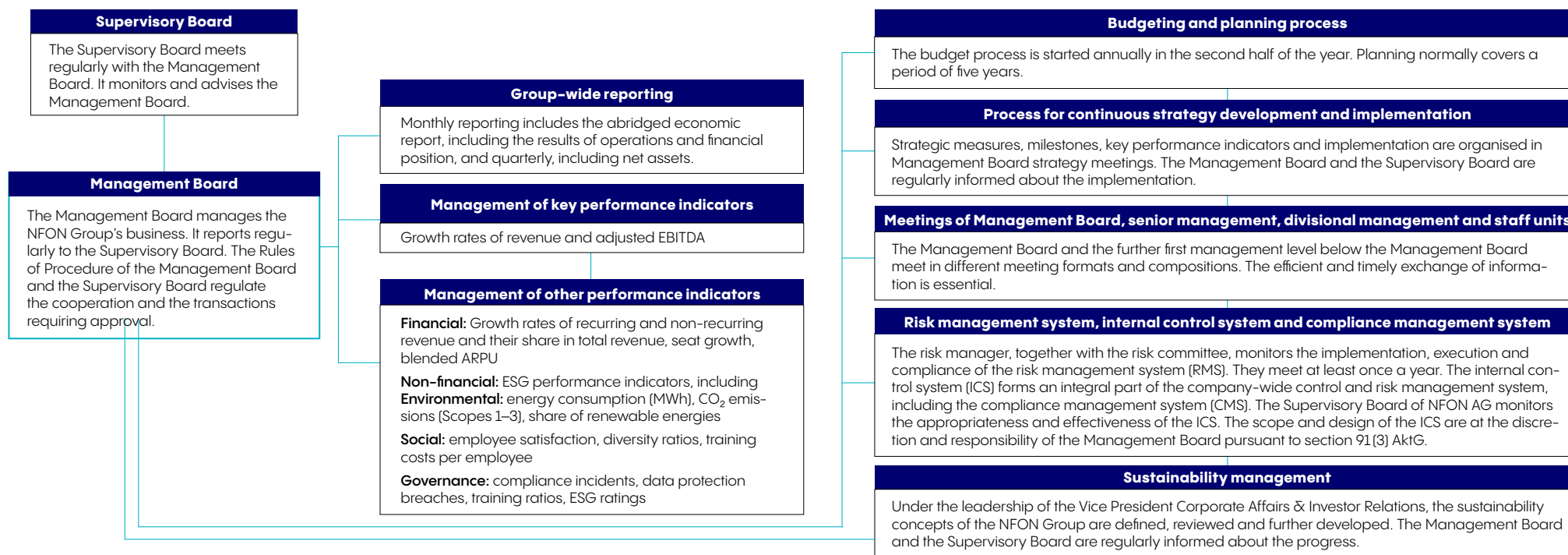
Management and key figures

Based on the Group strategy, the performance and success of the NFON Group are reflected both in our financial and non-financial key figures. These form a central element of the internal control system. We begin by outlining the management system of the NFON Group below. This is followed by an explanation of the key performance indicators that are defined in accordance with DRS 20 and applied, to a significant extent, as part of our corporate governance.

Control systems

The Management Board of NFON AG has introduced an internal management system for the management of the Group.

Internal management system of NFON AG



Performance indicators for corporate management

The performance indicators used to manage the Group serve to analyse and manage the defined measures to achieve the corporate objectives and to measure the company's performance. They are divided into key performance indicators and other performance indicators.

Key performance indicators

Due to the Group's ongoing transformation, the management and steering system was adjusted from the financial year 2025 onwards. While the growth rate of recurring revenue and its share of total revenue have formed the focus to date, the growth rate of total revenue will be used as a central steering indicator from 2025 onwards. This adjustment takes account of the increasing importance of various revenue sources and serves to more accurately reflect earnings potential. Recurring revenue remains relevant for the revenue structure, but no longer forms the focus of the key performance indicators. The NFON Group's key financial performance indicators include:

- **Growth rate of total revenue (in %):** Total revenue and its growth rate reflect the NFON Group's market success.
- **Adjusted earnings before interest, taxes, depreciation, amortisation and impairment (adjusted EBITDA, in EUR million):** Adjusted EBITDA measures operating performance at both Group and business unit level. Non-operating costs and one-off expenses, such as those arising from restructuring measures, business acquisitions and integrations, or share-based payments, are excluded from EBITDA in this context.

From the financial year 2026 onwards, adjusted EBITDA will no longer be used as a key performance indicator for NFON AG, as it is not a financial metric defined under commercial law and does not form part of the internal operational management of NFON AG. The revenue growth rate, however, remains the most significant financial performance indicator for NFON AG.

The key performance indicators are also aligned with the central steering indicators in the Group's financing agreements, which are based, in particular, on planned revenue and a planned EBITDA margin.

Other performance indicators

In addition, the NFON Group is managed using other performance indicators, which are divided into financial and non-financial performance indicators.

Other financial performance indicators

The other financial performance indicators include:

- **Seat growth:** Seat growth over a reporting period forms the basis for recurring revenue.
- **Growth rate of recurring revenue and recurring revenue as a share of total revenue (in %):** The growth in recurring revenue generated from all seats as well as the successful trend in recurring revenue as a share of total revenue illustrate the sustainability and stability of the NFON Group's business model. The trend in recurring revenue is crucial to the Group's overall performance and success.
- **Average revenue per user across all sales channels (blended ARPU) (in EUR):** NFON uses blended ARPU as a further revenue-related financial performance indicator. This is calculated as the recurring revenue for the respective period less the monthly fees from SIP trunks for the respective period divided by the total number of all active seats (seat base) during the same period.

Other non-financial performance indicators

The other non-financial performance indicators include ESG performance indicators that cover the environmental, social and governance aspects relevant to NFON. The selection of these performance indicators is based on the review and further development of the sustainability strategy, including a double materiality assessment (DMA), conducted as part of the preparations for the Corporate Sustainability Reporting Directive (CSRD) and the requirements of the European Sustainability Reporting Standards (ESRS). The underlying results were reviewed and confirmed in the financial year 2025. The ESG performance indicators include, among others:

- **Environment:** energy consumption (MWh), CO₂ emissions [Scopes 1–3], share of renewable energies
- **Social:** employee satisfaction, diversity ratios, training costs per employee
- **Governance:** compliance incidents, data protection breaches, training ratios, ESG ratings

The ESG performance indicators can be found in the [Sustainability Statement](#), which is published separately on the website of NFON AG, and is not audited.

Economic environment

Macroeconomic trends

Macroeconomic trends in Europe, Germany and key foreign markets

The eurozone economy remains stable, but growth continues to be subdued due to structural problems, according to the International Monetary Fund (IMF, 2026, "World Economic Outlook Update"). Growth stimuli from government investment generally take effect only in the medium term. The comparatively low benefit from the technology-driven investment surge, persistently high energy prices due to geopolitical conflicts and the real appreciation of the euro are also having a negative impact. Eurozone gross domestic product (GDP), after adjusting for price effects, expanded at a rate of 1.4% year-on-year in 2025, following 0.9% growth in 2024, according to the IMF's economic report.

Germany, the NFON Group's home market, achieved a slight economic recovery in 2025. Nevertheless, a declining level of exports continued to exert a dampening effect on economic growth. Germany's GDP expanded by 0.2% in 2025, after having contracted by 0.5% in the previous year, according to the IMF. The transition to higher-value investments in digital and technological areas remains a long-term factor for economic dynamism (Malmendier and Schaffranka, 2025, "Making Germany Grow Again").

Austria is an important foreign market for the NFON Group. Austria's economy achieved a slight recovery in 2025, according to the Kiel Institute for the World Economy (2025, Kiel Institute Economic Outlook, "World Economy Winter 2025"). Real GDP grew by 0.5% (previous year: -0.8%).

A further important foreign market for NFON is the United Kingdom, whose economy continued to stage a slight recovery in 2025 thanks to technology-related investment. Total economic output rose by 1.4% in 2025, according to the IMF (previous year: 1.1%).

Given a challenging macroeconomic environment, which stabilised to some extent over the course of 2025, the NFON Group's business activities performed solidly overall. In European core markets, economic trends continued to be characterised by a restrained willingness to invest.

Sector-related conditions

Key sales markets

The NFFON Group operates in a dynamic European market environment characterised by the increasing use of cloud-based communication services, the use of artificial intelligence and the spread of hybrid working models. The European cloud communications sector continued to evolve under the influence of regulatory requirements, growing expectations of data protection and data sovereignty, as well as continuous technological innovations.

The EU "Apply AI" programme promotes the integration of AI in key economic sectors and thereby strengthens Europe's digital competitiveness. The connection between AI and cloud communications is becoming closer and Europe's role as a pioneer in data protection and data sovereignty is being further consolidated. The European Commission's "State of the Digital Decade Report 2025" emphasises that cloud infrastructures will be one of the most important digital growth drivers. At the same time, investments in European sovereign clouds, such as the European cloud region announced by Amazon Web Services (AWS), emphasise the growing importance of trustworthy and regulatory-compliant cloud solutions.

Market for cloud communications

The European market for cloud communications continued to grow rapidly. This growth was driven by persistently higher security requirements, hybrid working models and the increasing integration of AI-based functions, according to the "Cavell Cloud Communications Market Evolution Report Q2 2025". Within Europe, markets developed at different speeds: while the UK and the northern European and Benelux countries already have a high level of cloud penetration, Germany and France are catching up noticeably – albeit from lower starting levels. More than half of European companies also used cloud services for AI-based applications for the first time, according to the "Flexera State of the Cloud Report 2025", which underscores the increasing fusion of cloud technologies and intelligent communication solutions.

Market for AI-based assistance and automation solutions

The market for AI-based assistance and automation solutions is becoming increasingly important in Europe, and especially in Germany. The market volume for artificial intelligence in Germany amounted to approximately EUR 8.47 billion in 2025, according to "Statista Market Insights 2025". This growth reflected the increasing use of AI in business-related applications, particularly in communication, service and administrative processes. In the context of business communications, such growth extended beyond classic, rule-based automation. Modern AI-based assistance solutions – including chatbots, voicebots and agent-based systems – enable contextualised speech processing, the automation of recurring interactions and support for operational decisions. Analyses by Gartner (2025, "Top Data & Analytics Predictions"), the IBM Institute for Business Value (2025, "From AI Projects to Profits") and the Capgemini Research Institute (2025, "Rise of Agentic AI") indicate that the use of AI-based assistance systems can contribute to improvements in decision quality, productivity and customer satisfaction.

Market for contact centres and customer interaction systems (CCaaS)

The European market for Contact Centre as a Service (CCaaS) remained in a dynamic growth phase in 2025. The market volume in Europe is estimated at approximately EUR 1.83 billion in 2025, according to Fortune Business Insights in its report "Contact Center as a Service (CCaaS) Europe – Market Analysis, Insights and Forecast 2025–2032". Market growth was driven particularly by continued rising demand for cloud-based, AI-based and omnichannel-capable contact centre solutions that enable customer service processes to be designed more efficiently and flexibly. At the same time, customer experience (CX) became increasingly important as a competitive factor. Market research institute Ipsos (2025) points out in its "CX Global Insights" that around 70% of European consumers base their choice of brand largely on the quality of service they expect. Given this, demand for scalable contact centre solutions that enable consistent, data-driven and cross-channel customer interaction has increased and remains a key driver of market development.

Market for integration solutions

The market for integration solutions in the area of cloud-based business communications continued to gain importance in 2025, as companies increasingly integrate communication services into their existing IT system landscapes, according to Cavell.

Competitive situation

The intensity of competition in the markets relevant to the NFON Group – cloud communications, AI-based assistance and automation solutions as well as contact centre solutions – remained high in 2025. From NFON's perspective, the key developments shaping competition are as follows:

- **Consolidation and portfolio expansion through M&A:** Several market participants are expanding their UCaaS, CCaaS and AI functionalities through targeted acquisitions. These include NiCE's acquisition of AI provider Cognigy. Large providers are specifically expanding their presence in highly regulated markets such as Germany. Internationally operating platforms are increasingly investing in European infrastructure, compliance and AI integration in order to meet data protection and data sovereignty requirements, according to Cavell.
- **Greater price pressure with simultaneous differentiation via value-added services:** Frost & Sullivan (2025, "European UCaaS Market Size Report") points out that basic cloud telephony functions are becoming increasingly standardised. For this reason, providers are increasingly differentiating themselves through extended services such as AI functions, integration into existing IT landscapes and regulatory and security-related features.
- **Increasing integration of AI in communication and service platforms:** Bain & Company's "Technology Report 2025" market analysis as well as the aforementioned studies by Gartner and Capgemini show that AI-based functions are increasingly becoming the standard. Gartner forecasts that AI agents will support a significant share of operational business decisions in the coming years, while Bain & Company identifies efficiency gains through AI-based communication solutions.

- **Rising competitive pressure in the contact centre environment due to CX focus:** The number of active providers in the European CCaaS market continues to grow. Market studies by Synergy Research Group and Mordor Intelligence show that competition is increasingly shifting towards customer experience, omnichannel capability and AI-based automation. At the same time, Ipsos shows that service quality is a central purchasing criterion for most European consumers.
- **Growing importance of EU compliance, data sovereignty and interoperability:** According to the European Commission and Cavell, data protection, data sovereignty and interoperable architectures are becoming increasingly important, particularly in the European SME sector. International providers are increasingly investing in European infrastructure and compliance structures in order to meet regulatory requirements.

In this context, NFON considers itself well positioned in the relevant markets, particularly among European SMEs, and continues to benefit from structural demand for cloud-based communication solutions. This positioning is supported in particular by a consistent focus on EU compliance and data sovereignty as well as the gradual integration of AI-based functions into its existing communications portfolio, and thereby the targeted addressing of regulatory requirements and differentiating value-added services. Further information can be found in the [🔗 Markets and product areas](#) as well as the [🔗 Strategies and targets](#) sections.

Regulatory framework

German Telecommunications Act

Since the deregulation and harmonisation of German telecommunications legislation, the provision of telecommunications services and the operation of telecommunications networks have been subject to the German Telecommunications Act (TKG, original version dated 25 July 1996, last new version dated 23 June 2021, last amendment dated 2 December 2025) and certain supplementary provisions. As a consequence, NFON is also subject to the German Telecommunications Act. The body in charge of regulating the German telecommunications market is the German Federal Network Agency (BNA). Similar regulators, which at EU level include the European Commission, exist in other European countries. A licence from a regulator is not required in order to render telecommunications services in the European Union. As a commercial provider of publicly accessible telecommunications services, NFON must also notify the German Federal Network Agency of the commencement, amendment or termination of business activities (pursuant to section 5 TKG). In addition, the German Telecommunications Act also contains reporting and information obligations in relation to security incidents that have a considerable impact on network operations or the rendering of services, or in the event of a breach of personal data. Regulators such as the German Federal Network Agency can impose obligations on the company in relation to the rendering of the services it offers. As NFON collects, stores and utilises data in conjunction with its ordinary business activities, the company is also subject to the data protection laws and regulations of federal, state and international government authorities.

EU Artificial Intelligence Act (2024/1689)

The EU Artificial Intelligence Act (2024/1689), which came into force on 1 August 2024, establishes for the first time a uniform statutory framework for the use of AI in the European Union. The requirements will take effect in stages from 2025 onwards and – depending on the risk category of the respective AI application – range from transparency obligations to governance and documentation requirements.

NFON assumes different roles in relation to the EU AI Act. On the one hand, the company acts as a provider when AI-based products or functions are marketed externally under its own name. On the other hand, NFON assumes the role of operator if these solutions are deployed internally in business processes. The AI systems deployed by NFON are predominantly classified as minimal or limited risk, as they primarily fulfil supportive assistance functions and do not make any safety-critical or legally relevant decisions. Accordingly, these applications are identifiable as AI and are primarily subject to transparency requirements. In order to implement the regulatory requirements at an early stage, NFON has started to establish a company-wide management and control structure designed to ensure the responsible and statutorily compliant use of AI technologies.

Digital Operational Resilience Act

With the entry into effect of EU Regulation (EU) 2022/2554 – the Digital Operational Resilience Act (DORA) – on 17 January 2025, uniform and binding requirements for digital operational resilience in the financial sector apply throughout Europe. The regulation affects not only banks, insurance companies and other regulated financial organisations, but also information and communication technology (ICT) service providers that directly or indirectly support their digital infrastructure – including NFON. In particular, the focus is on the contractual requirements pursuant to article 30 DORA, which concern, among other matters, the safeguarding of service descriptions, data locations, inspection rights, security requirements, exit strategies and emergency plans. For ICT services that support critical or important functions, further obligations apply – such as implementing business continuity measures and providing support in the event of incidents.

To implement the requirements, NFON has established a structured DORA compliance programme, which has been in place since the end of 2024. This programme includes in particular a supplementary agreement for financial customers to contractually secure the entire ICT supply chain, including subcontractors, as well as a verification package to document relevant measures. NFON has established processes aimed at fulfilling both direct and indirect regulatory requirements under DORA, including in cases where services are provided to financial customers via partner companies. These measures not only strengthen digital resilience within the service provider chain, but also customers' trust in NFON as a reliable provider in a regulated environment.

Network and Information Security Directive 2

With the NIS 2 Directive (EU) 2022/2555, the European Union has significantly expanded the statutory framework for cybersecurity. The transposition into German law was implemented through the German NIS-2 Implementation and Cybersecurity Strengthening Act (NIS2UmsuCG), which entered into force in early December 2025. As the directive has not yet been fully implemented in all EU member states, NFON is continuously monitoring regulatory developments at European and national level in order to be able to take any necessary adjustments into consideration at an early stage.

As a provider of public telecommunications services of the relevant company size, NFON has been classified as a "particularly important entity" (PIE) and is thereby subject to extensive new security and governance obligations. A comprehensive gap analysis against the requirements of Article 21 the NIS 2 Directive and section 30 of the draft act on the Federal Office for Information Security (BSiG) was already conducted in 2025. On this basis, NFON AG is currently implementing key measures, including the further development of tiered reporting processes for security incidents and the systematic safeguarding of critical service providers within the supply chain. The Management Board of the NFON Group and the managing directors of the subsidiaries are directly involved in the implementation and must complete mandatory training in accordance with NIS 2 requirements. In addition, the required registrations were completed with the competent national reporting authorities in order to meet the regulatory interface requirements in a timely manner.

Group business performance

Management Board's overall assessment of business performance

In EUR million	2025	2024	Change
Revenue	89.1	87.3	2.0%
Recurring revenue	82.0	81.1	1.1%
Share of recurring revenue	92.1%	92.9%	–
Non-recurring revenue	7.1	6.2	13.7%
Share of non-recurring revenue	7.9%	7.1%	–
Blended ARPU (in EUR)	10.01	9.89	1.2%
Seat growth (number of seats)	647,384	665,449	–2.7%
Adjusted EBITDA*	12.6	12.3	2.4%

Unless stated otherwise, all values in the consolidated financial statements and the related notes are rounded. Rounding differences can therefore occur in the tables.

* Notes on the adjustments can be found under "Results of operations".

In the financial year 2025, the NFON Group achieved an overall solid performance within a persistently challenging environment: the market environment was characterised by uncertainty in Europe, increased cost pressure and intense competitive dynamics. At the same time, structural demand for the digitalisation of business communications continued, and AI-based functions as well as automation in customer dialogue gained further importance. For this reason, NFON is consistently investing in the foundations of its business – in its platform, product portfolio and technology – with a focus on innovative, AI-based business communication solutions that enable more efficient and future-proof communication processes. With NFON Next 2027, this strategic direction was consolidated into a programme for sustainable growth and technological innovation.

Revenue rose to EUR 89.1 million (previous year: EUR 87.3 million; +2.0%). The subdued trend is attributable primarily to weak market momentum and continued restrained investment in the core market of Germany and affected mainly the core business of business telephony. Growth was driven primarily by the inorganic revenue contribution of botario GmbH, which, adjusted for intra-Group revenue, contributed approximately EUR 3.9 million to consolidated revenue and thereby provided a clearly positive impetus to the business performance. Recurring revenue grew by 1.1% to EUR 82.0 million (previous year: EUR 81.1 million) and, at 92.1%, continued to account for the greater share of total revenue (previous year: 92.9%).

Business performance was also characterised by offsetting effects: the number of seats decreased by 2.7% during the financial year under review, as new customer business was unable to compensate for declining existing volumes. Revenue from voice minutes declined as a result of continued changes in end customers' calling behaviour. This was offset in particular by selective price increases, which contributed to a slight increase in blended ARPU to EUR 10.01 (previous year: EUR 9.89). Overall, the trend underscores the stability of the recurring business model, even though business performance, particularly in the business telephony area, lagged behind overall market momentum in the financial year 2025. At the same time, the market for cloud-based business communications is showing increasing maturity and commoditisation of core services, while AI-based functions and applications are becoming an increasingly important source of differentiation and value creation.

Driven by improved operating profitability – to which botario GmbH made a significant contribution – and disciplined cost management, EBITDA rose to EUR 11.4 million (previous year: EUR 10.8 million) and adjusted EBITDA to EUR 12.6 million (previous year: EUR 12.3 million).

The NFON Group's financial position in the financial year 2025 was, on the whole, sound and characterised by a stable liquidity position. As at the end of the reporting period, the Group held cash and cash equivalents of EUR 12.9 million (previous year: EUR 13.0 million). Solvency was ensured at all times during the reporting year. The net assets position continued to be characterised by intangible assets amounting to EUR 50.5 million (previous year: EUR 51.5 million), which accounted for around 57.5% of total assets. The equity ratio as of 31 December 2025 amounted to 57.0% (31 December 2024: 53.4%); significant changes compared to the previous year arose, in particular, from the higher consolidated profit for the year as well as a year-on-year slightly lower level of total assets.

Comparison of the forecast and actual performance for 2025

In its management report for 2024, the Management Board formulated expectations for the financial year 2025 for the most important financial performance indicators anchored in the management system and adjusted these over the course of the year – in August and November – to reflect its updated assessment of business performance. This was because the trend in key performance indicators over the course of the year remained significantly below original expectations. This was due, in particular, to the weaker organic growth momentum that became apparent over the course of the year, as well as opposing effects from the performance of the seat portfolio and voice minute revenues in a highly competitive market environment. A comparison of expectations and actual performance is provided here exclusively for these key performance indicators.

Key performance indicators compared to the forecast for 2025

	Growth rate Revenue	Adjusted EBITDA
2025 – actual	2.0%	EUR 12.6 million
Forecast 2025 (17 April 2025)	8.0–10.0%	EUR 13.5 million– EUR 15.5 million
Forecast 2025 (20 August 2025)	3.0–5.0%	EUR 12.5 million– EUR 14.0 million
Forecast 2025 (19 November 2025)	1.0–2.5%	EUR 11.5 million– EUR 12.5 million

Explanation of target achievement versus forecast 2024

Forecast 2025 (17 April 2025)	Not fulfilled	Not fulfilled
Forecast 2025 (20 August 2025)	Not fulfilled	Not fulfilled
Forecast 2025 (19 November 2025)	Fulfilled	Slightly exceeded

Based solely on the forecast most recently updated in November 2025, expectations for the financial year 2025 were met overall. With revenue growth of 2.0%, NFON fulfilled its most recent expectations. In addition to the significant growth in non-recurring revenue, this growth was supported by the stability of recurring revenue, while the decrease in the seat portfolio and the continued reduction in revenues of voice minutes exerted an opposite effect. At EUR 12.6 million, adjusted EBITDA was slightly above the most recent forecast range; this was due to an overall improvement in the quality of operating earnings as well as cost discipline.

Results of operations

Development of key items of the consolidated statement of comprehensive income

In EUR million	2025	2024 restated*	Change
Revenue	89.1	87.3	2.0%
Cost of materials	-12.9	-12.9	0.4%
Gross profit	76.2	74.5	2.3%
Other operating income	0.7	0.3	96.6%
Staff costs	-36.5	-34.9	4.6%
Other operating expenses**	-28.9	-29.1	-0.5%
EBITDA	11.4	10.8	5.1%
Adjusted EBITDA***	12.6	12.3	2.4%
Depreciation, amortisation and write-downs	-7.5	-8.2	-8.8%
EBIT	3.9	2.7	47.9%
Finance result	-0.8	-0.8	-0.2%
Impairment loss on investments in associates	-0.7	–	–
Income tax expense	-0.3	-1.5	-83.6%
Consolidated result	2.2	0.4	–
Earnings per share in EUR	0.14	0.02	–

* The figures for the previous year have been restated following the correction of an error. Further details can be found in the notes to the consolidated financial statements under 2c.

** Includes, in addition to other operating expenses, impairment losses on trade receivables, other receivables and other tax expenses.

*** See section "Income and expense items" for reconciliation of EBITDA with adjusted EBITDA.

Consolidated revenue and consolidated seat growth

Consolidated revenue recorded solid year-on-year growth of 2.0% in the financial year 2025. The revenue growth was attributable primarily to the inorganic revenue contribution of EUR 3.9 million (previous year: EUR 1.9 million; in the previous year only recognised for the period from September to December 2024) from botario GmbH, which was acquired in 2024. Adjusted for this non-organic effect, consolidated revenue would have declined slightly.

NFON differentiates between recurring and non-recurring revenue. Recurring revenue derives from fixed monthly licence fees per seat or platform service as well as fixed and volume-based usage fees for voice minutes and SIP trunk services. Non-recurring revenue includes, among other items, the sale of end devices (telephones, soft clients for PCs and smartphones), one-off activation fees per seat upon initial connection to the cloud PBX, as well as other one-off services and products, such as the Contact Center Hub, set-up fees for symmetric digital subscriber line (SDSL), consulting services and customer-specific software development services.

Recurring revenue grew by 1.1% to EUR 82.0 million in the financial year 2025 (previous year: EUR 81.1 million), to which botario contributed EUR 2.2 million (previous year: EUR 0.5 million). The successful project business of botario (EUR 2.4 million; previous year: EUR 1.4 million) also had a positive effect on non-recurring revenue, which was up by 13.7% year-on-year.

The total number of seats decreased by 2.7% to 647,384 (previous year: 665,449) and thereby fell short of expectations overall, including as a consequence of customer consolidations in a market environment that remains subdued.

Revenue and seat growth by segment

The NFON Group comprises a total of ten operating segments. The analysis by segment corresponds to NFON's individual international subsidiaries. In the financial year 2025, this included two companies in Germany (NFON AG, botario GmbH) and one subsidiary each in Austria (NFON GmbH), the United Kingdom (NFON UK Ltd.), Spain (NFON Iberia SL), France (NFON France SAS), Italy (NFON Italia S.r.l.), Poland (NFON Polska Sp. z o.o.), Portugal (NFON Developments Lda) and the Republic of Kosovo (NFON Hub SH.P.K.).

Eight operating segments generate external revenue and are presented separately below as reportable segments. The Portuguese subsidiary

and the new subsidiary founded in the Republic of Kosovo in February 2025, which together had an average number of employees of 13 in 2025, only render development services in the area of software and support functions and do not generate any external revenue outside the Group on a long-term basis. With the exception of NFON AG and botario GmbH, both of which are also responsible for research and development, the other subsidiaries mainly operate as independent sales companies in their home markets.

The NFON Group's revenue from external customers is distributed among the individual international subsidiaries as follows and is reported in accordance with IFRS accounting standards:

Revenue in the segments

	Revenue		Recurring revenue		Change in recurring revenue in %	Recurring revenue as a share of total revenue in %	
In EUR million	2025	2024	2025	2024		2025	2024
NFON AG	64.6	64.7	61.7	62.2	-0.9	95.4	96.2
botario GmbH	4.6	1.9	2.2	0.5	-	47.4	27.6
NFON GmbH	10.0	9.6	8.7	8.2	6.8	87.6	85.3
NFON UK Ltd.	7.9	8.5	7.5	7.8	-3.1	95.0	91.2
NFON Iberia SL	0.5	0.5	0.5	0.5	0.5	98.1	98.4
NFON Italia S.r.l.	1.5	1.3	1.3	1.2	12.0	90.5	90.9
NFON France SAS	0.3	0.4	0.3	0.4	-9.8	98.9	94.8
NFON Polska Sp. z o.o.	0.4	0.5	0.4	0.5	-7.7	97.3	95.2
Total for the reportable segments	89.8	87.3	82.6	81.1	1.8	92.0	92.9
Consolidation effects	-0.8	0.0	-0.6	0.0	-	79.0	-
Total revenue	89.1	87.3	82.0	81.1	1.1	92.1	92.9

At EUR 64.6 million, the revenue of NFON AG was at the previous year's level (EUR 64.7 million); the slight decrease is partly due to the challenging overall economic situation and associated reluctance to invest, particularly in the core market of Germany.

In the financial year 2025, the companies in Austria and Italy in particular recorded dynamic growth rates of between 4% and 12%. The main driver in this context was stable demand for cloud PBX products and premium solutions, which led to a corresponding increase in the number of installed seats.

Business in Spain, Poland and France decreased slightly compared to 2024, albeit still at a low level. This is largely due to a decline in the number of seats in these markets.

Consolidation effects include intra-Group revenue between botario GmbH and NFON AG amounting to around EUR 0.8 million (previous year: EUR 0 million).

Seats in segments

	2025	2024
NFON AG	472,821	484,976
botario GmbH*	–	–
NFON GmbH	78,824	75,014
NFON UK Ltd.	71,922	80,974
NFON Iberia SL	4,057	4,845
NFON Italia S.r.l.	11,596	11,004
NFON France SAS	3,569	3,940
NFON Polska Sp. z o.o.	4,595	4,696
Total	647,384	665,449

* botario GmbH is not measured based on seats but has licence/project business.

Trend in average revenue per user

NFON records average recurring revenue across all services, sales channels and countries per user or seat, the so-called blended average revenue per user (ARPU), in order to measure operating performance per seat. ARPU rose slightly to EUR 10.01 in 2025 (previous year: EUR 9.89) despite a decrease in voice minutes usage. The decrease in voice minutes usage was offset by targeted price adjustments for selected products and customer cohorts.

Income and expense items

Other operating income

Other operating income increased to EUR 0.7 million in the financial year 2025 (previous year: EUR 0.3 million). The increase is mainly due to a EUR 0.3 million rise in exchange rate gains.

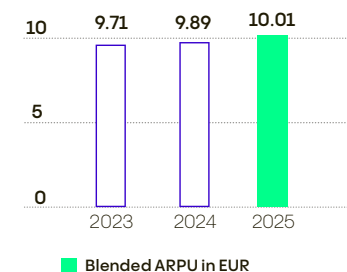
Cost of materials

At EUR 12.9 million, the cost of materials in the financial year 2025 was at the previous year's level and corresponds to a cost of materials ratio of 14.5% (previous year: 14.7%). This development is due to the fact that botario's project business utilises mainly internal resources and consequently entails a low cost of materials.

Staff costs

The average number of employees increased by 3.7% to 425 in the financial year 2025 (previous year: 410), mainly due to the expansion of AI capacities in the development area. At the same time, measures to optimise organisational structures and realise efficiency gains were continued as part of the transformation process. Wage and salary costs (excluding bonus payments and own work capitalised) rose from EUR 27.8 million to EUR 30.6 million. In connection with the greater use of development resources in AI projects, the capitalisation of own work also increased by around EUR 0.3 million. Expenditure on social security contributions and pension costs amounted to EUR 6.2 million in the financial year under review (previous year: EUR 6.0 million). Staff costs amounted to a total of EUR 36.5 million (previous year: EUR 34.9 million).

ARPU ON A POSITIVE TREND



Non-recurring effects of EUR 0.7 million were attributable to measures relating to the reorganisation of top management and EUR 0.1 million for the product and platform migration of legacy systems. In addition, expenses of EUR 0.2 million (previous year: EUR 0.1 million) were recognised in connection with a stock option programme for employees implemented in 2023. Adjusted for these one-off effects and non-operational expenses (non-recurring effects), staff costs increased year-on-year to EUR 35.5 million (previous year: EUR 34.4 million). This corresponds to an adjusted staff costs to revenue ratio of 39.9% (previous year: 39.4%).

Other operating expenses

Other operating expenses rose slightly to EUR 28.5 million in the financial year 2025 (previous year: EUR 28.7 million). Compared with the previous year, consultancy expenses as well as expenses for warranties and currency translation in particular decreased. This was offset by higher expenditure on IT software solutions and software customising as well as staff recruitment. Loss allowances on trade receivables and other receivables increased slightly by EUR 0.1 million to EUR 0.4 million due to a deterioration in the ageing structure.

In 2025, one-off effects in connection with the product and platform migration of legacy systems in the amount of EUR 0.2 million were recognised in other operating expenses. After adjustment for these one-off effects, other operating expenses amounted to EUR 28.3 million in the financial year 2025 (previous year: EUR 27.7 million). The adjusted expense ratio as a percentage of revenue amounted to 31.7%, unchanged from the previous year. Including impairment losses on trade receivables and other receivables, the expense ratio in 2025 amounted to 32.5% (previous year: 33.0%).

Other operating expenses include selling expenses amounting to EUR 12.1 million (previous year: EUR 12.0 million). Of this amount, the largest share is attributable to commissions paid to sales partners that receive a share of revenue. The ratio of selling expenses to revenue decreased slightly to 13.6% in 2025 (previous year: 13.7%). The main reason for this reduction is botario's business, most of which is not processed via partner sales channels and consequently does not generate any sales commissions.

Depreciation and amortisation

In the financial year 2025, depreciation and amortisation decreased to EUR 7.5 million (previous year: EUR 8.2 million). This was due to a lower level of amortisation of intangible assets and of depreciation of property, plant and equipment.

Financial result

Net interest expenses (interest and similar expenses less interest and similar income) amounted to EUR 0.9 million in the financial year 2025 and were thereby EUR 0.5 million higher than the previous year's level. The reason for this is that interest on a loan due to be repaid in August 2024 is expensed for the first time.

Other financial expenses include the remeasurement of the contingent purchase price obligation (earn-out) in connection with the acquisition of botario GmbH as of the 31 December 2025 reporting date. In the financial year 2025, an adjustment to the earn-out liability of EUR 0.1 million was recognised as income in profit or loss (previous year: EUR 0.3 million recognised as an expense).

Impairment of investments in associates

In the financial year 2025, a full impairment loss of EUR 0.7 million was recognised on the investment in Meetecho S.r.l., as the earnings performance in the financial year 2025 and the forecasts for 2026 to 2028 did not support the continued recognition of the carrying amount.

Income tax expense

The income tax expense amounted to EUR 0.3 million in the financial year 2025 (previous year: EUR 1.5 million). This includes current tax expenses amounting to EUR 0.5 million (previous year: EUR 1.6 million). Deferred tax amounted to EUR 0.2 million in the reporting year (previous year: EUR 0.0 million). The income tax expense in the previous year was mainly characterised by the tax on the merger gain that arose in connection with the merger of Deutsche Telefon Standard GmbH and by income taxes of botario GmbH for the financial year 2024. In the reporting year, the decrease in current tax expenses was offset by an increase in deferred tax liabilities, which was due to higher temporary differences in connection with intangible assets.

EBITDA, adjusted EBITDA, EBIT, consolidated result

In EUR million	2025	2024 restated*
EBITDA	11.4	10.8
Adjustments in staff costs:		
Focus on Group-wide activities	–	–
Stock options/ESOPS	0.2	0.1
Merger and integration of Deutsche Telefon Standard GmbH (100% subsidiary)	0.1	0.1
Reorganisation of top management	0.7	0.1
Subtotal for personnel expenses	1.0	0.5
Adjustments to other operating expenses:		
Expenses for M&A	0.0	0.6
Merger and integration of Deutsche Telefon Standard GmbH (100% subsidiary)	0.2	0.3
Subtotal for other operating expenses	0.2	1.0
Total non-recurring effects	1.2	1.5
Adjusted EBITDA	12.6	12.3
EBIT	3.9	2.7
Consolidated result	2.2	0.4
Earnings per share in EUR	0.14	0.02

* The figures for the previous year have been restated following the correction of an error. Further details can be found in the notes to the consolidated financial statements under 2c.

The slight revenue growth led to an increase in unadjusted EBITDA to EUR 11.4 million in the financial year 2025 (previous year: EUR 10.8 million) and in adjusted EBITDA to EUR 12.6 million (previous year: EUR 12.3 million). EBIT improved from EUR 2.7 million to EUR 3.9 million.

Financial position

Due to the continued positive business performance, cash and cash equivalents decreased only slightly from EUR 13.0 million to EUR 12.9 million compared to 31 December 2024, despite the payment of the first tranche of the contingent purchase price payment (earn-out) in connection with the acquisition of botario GmbH in the amount of EUR 1.9 million and the repayment of the long-term loan in the amount of EUR 0.3 million.

Capital structure

The capital structure of the NFON Group consists of equity as well as non-current and current financial liabilities. As at 31 December 2025, the equity ratio stood at 57.0% (31 December 2024: 53.4%), representing an increase on the previous year's level.

The Group finances its business activities primarily from its own funds and short-term operating liabilities. Financial liabilities consist primarily of lease liabilities pursuant to IFRS 16. To finance the acquisition of botario GmbH, NFON AG took out a secured long-term bank loan from Bank für Tirol und Vorarlberg Aktiengesellschaft in the financial year 2024. The carrying amount of the loan as at 31 December 2025 was EUR 4.7 million (31 December 2024: EUR 5.0 million), of which EUR 1.0 million related to the current portion. The loan matures on 31 August 2030. The interest rate is fixed at 6.62% until 30 September 2027; thereafter, it will be adjusted based on the prevailing money and capital market rates at that time.

In addition, the Group has a credit facility with Bank für Tirol und Vorarlberg with a limit of EUR 2.0 million and a term until 30 November 2028, of which EUR 1.0 million had been drawn down as at the end of the reporting period. Interest is charged based on the term-equivalent EURIBOR plus a margin; a commitment fee of 1.0% is charged on undrawn amounts of the credit facility.

The loan agreements contain customary financial covenants (minimum revenue and minimum EBITDA margin). The Group expects to comply with these during the forecast period.

No significant changes in the financing structure occurred during the financial year under review.

Analysis of capital expenditure

In the financial year 2025, capital expenditure focused on development activities and software customisation, which were capitalised at EUR 3.6 million (previous year: EUR 2.6 million) and recognised under intangible assets. Capital expenditure on property, plant and equipment amounting to EUR 0.5 million (previous year: EUR 0.6 million) was realised in the reporting period, primarily for IT infrastructure.

Liquidity analysis

At EUR 8.4 million (previous year: EUR 9.4 million), operating cash flow in the financial year 2025 was down slightly on the previous year. This decrease is mainly due to changes in working capital items and higher interest payments. Trade payables and other liabilities decreased by EUR 0.8 million compared to the previous year's reporting date. In the previous year, these changes had a positive effect of EUR 0.4 million on operating cash flow. Interest payments increased by EUR 0.2 million to EUR 0.3 million. Exchange rate changes also had a negative effect of EUR 0.4 million in the financial year 2025, compared to a positive effect of EUR 0.3 million in the previous year. The exchange rate effects derive primarily from the translation of GBP and EUR at the UK subsidiary. These effects relate in particular to the measurement of intercompany loans and offsetting.

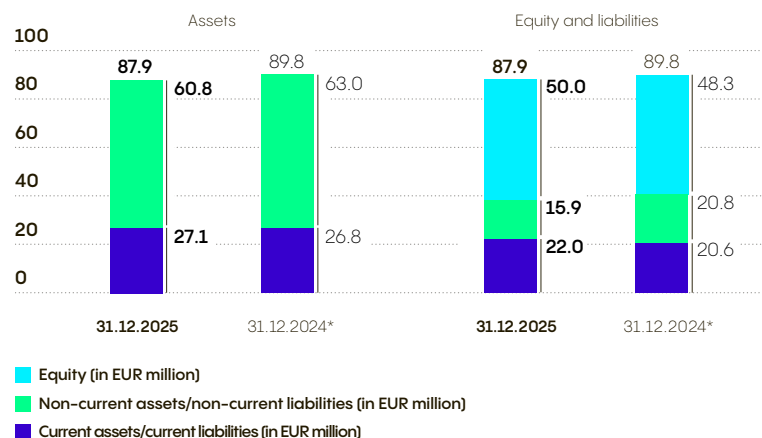
Cash flow from investing activities amounted to EUR –6.0 million (previous year: EUR –12.9 million). In the financial year 2025, NFON invested EUR 3.6 million in intangible assets for development projects and software customising as well as EUR 0.5 million in property, plant and equipment, in particular IT infrastructure and hardware. The payment of the first instalment of the contingent purchase price obligation (earn-out) from the botario acquisition led to a cash outflow of EUR 1.9 million in the financial year 2025.

Cash flow from financing activities of EUR –2.5 million includes mainly payments from leases (EUR 2.2 million) and repayments of the long-term bank loan (EUR 0.3 million).

NFON monitors its liquidity position on a continuous basis. The company intends to further improve liquidity in the planning period. A credit line of EUR 2.0 million was available as of the end of the reporting period, of which EUR 1.0 million had been utilised.

Net assets

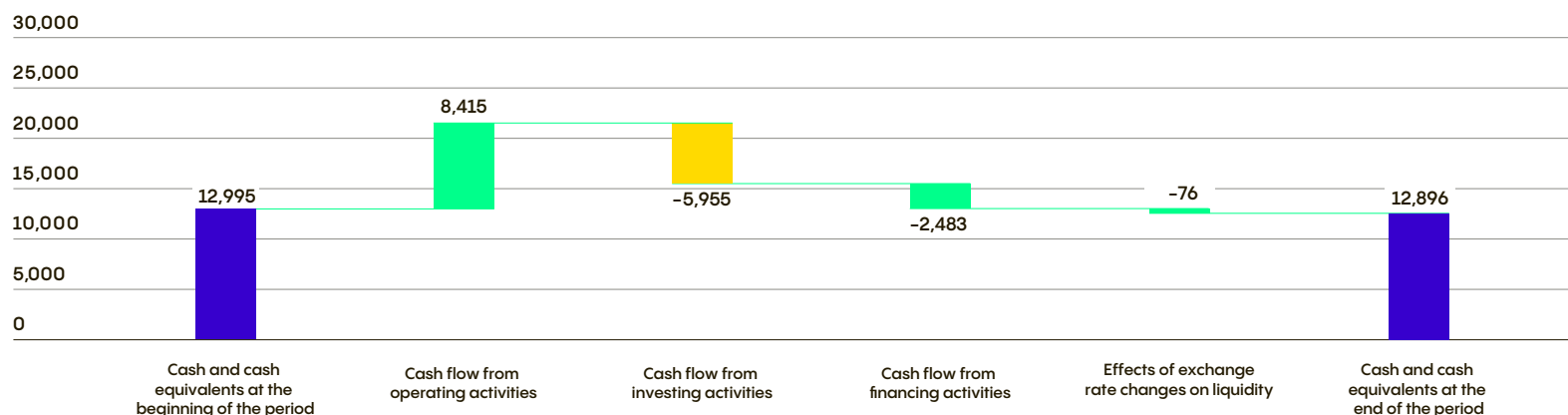
Balance sheet structure



Rounding differences are possible.

* The figures for the previous year have been restated following the correction of an error. Further details can be found in the notes to the consolidated financial statements under 2c.

Liquidity analysis as at 31 December 2025 (in EUR thousand)



Non-current and current assets

Assets

In EUR million	2025	2024	Comments/changes
Property, plant and equipment	9.4	9.9	The decline is mainly due to the depreciation of the rights of use for the rented premises.
Intangible assets	50.5	51.5	Intangible assets decreased from EUR 51.5 million to EUR 50.5 million, mainly due to scheduled depreciation of EUR 4.8 million, which more than offset additions of EUR 3.8 million in fiscal year 2025.
Investments in associates	0.0	0.7	The investment in Meetecho S.r.l. was written down in full in the financial year. This is primarily due to the company's continuing decline in earnings and the fact that the investment is not part of NFON's strategic focus.
Other (non-) financial assets	0.8	0.9	Other non-financial assets mainly comprise long-term prepaid expenses and long-term deposits.
Deferred tax assets	0.1	0.1	–
Non-current assets	60.8	63.0	–
Trade receivables	11.2	10.3	Trade receivables increased by around EUR 0.9 million to EUR 11.2 million. This was mainly due to a higher volume of project services in December compared with the previous year.
Other financial and non-financial assets	3.0	3.4	This item essentially comprises current prepaid expenses, current deposits, corporation tax credits, contract assets and inventories.
Cash funds	12.9	13.0	Cash and cash equivalents decreased slightly by EUR 0.1 million to EUR 12.9 million.
Current assets	27.1	26.7	–

Equity

Equity amounted to EUR 50.0 million as of 31 December 2025 (previous year: EUR 48.0 million) after taking the positive consolidated result into consideration. The positive development reflects the consolidated net profit of EUR 2.2 million (previous year: EUR 0.4 million) and an allocation to the capital reserves in the amount of EUR 0.2 million due to the granting of stock options as part of the employee stock option programme.

The currency translation reserve decreased by EUR 0.4 million.

Non-current and current liabilities

Liabilities

In EUR million	2025	2024*	Comments/changes
Non-current financial liabilities	13.4	18.0	Non-current financial liabilities have decreased from EUR 18.0 million to EUR 13.4 million, as well as the reclassification of the short-term tranche of EUR 1.0 million of the bank loan to current financial liabilities. As at 31 December 2025, the long-term portion of the loan amounts to EUR 3.7 million.
Other longterm non-financial liabilities and accruals	0.3	0.9	The decrease is mainly due to the reclassification to current liabilities.
Deferred tax liabilities	2.2	2.4	Deferred tax liabilities have decreased slightly due to lower temporary differences relating to intangible assets.
Non-current liabilities	15.8	21.3	–
Trade payables	4.9	5.2	Trade payables fell by EUR 0.4 million to EUR 4.9 million and do not bear interest.
Current provisions	2.6	2.8	Current provisions decreased slightly by EUR 0.2 million compared to the previous year.
Income tax liabilities	1.5	1.8	Income tax liabilities mainly relate to periods for which tax assessments have not yet been made and have decreased from EUR 1.8 million to EUR 1.5 million due to payments and lower liabilities for the financial year 2025.
Current financial liabilities	7.4	4.9	Short-term financial liabilities rose from EUR 4.9 million to EUR 7.4 million due to the reclassification of the tranche of the contingent purchase price obligation maturing in 2026 in the amount of EUR 3.7 million and the short-term portion of the loan in the amount of EUR 1.0 million. This was offset by the contingent purchase price obligation of EUR 1.8 million paid in 2025 and the repayment of the long-term bank loan of EUR 0.3 million.
Other short-term non-financial liabilities and contract liabilities	5.6	6.0	Other current non-financial liabilities, including contractual liabilities, decreased by EUR 0.4 million to EUR 5.6 million and include lower provisions for employee bonuses and unused vacation days compared to the previous year, which had a total impact of EUR +0.4 million.
Current liabilities	22.0	20.5	–

* The prior-year figures for deferred tax liabilities have been restated to correct an error. Further details can be found in the notes to the consolidated financial statements under 2c.

Events after the reporting period

For information on events occurring after the end of the financial year, please refer to note  [31 Events after the reporting period](#) in the notes to the consolidated financial statements and the disclosures in the separate annual financial statements of NFON AG as of 31 December 2025.

Opportunities and risks

Opportunity and risk management

The NFON Group anticipates opportunities that are important for the achievement of its strategic goals. At the same time, all business activities entail risks that can impede the target attainment process. The failure to identify risks and minimise the potential consequences for the Group can jeopardise the company's successful development and growth. In order to respond appropriately to this, the Management Board has implemented a risk management system (RMS) based on the international risk management standard COSO II Enterprise Risk Management – Integrated Framework. This is intended to identify new risks or changes in existing risks at an early stage, thereby enabling the Management Board to take suitable measures to safeguard the future of the company. A special focus is "on going concern" risks.

Risk management covers all strategic, operating as well as financial and compliance risks. No risk categories exist that are, in principle, excluded from recognition. The risk manual regulates the handling of risks within the NFON Group and defines a standardised corporate methodology that applies to all areas and companies of the Group. The manual was last revised in 2024 and approved by the Management Board in its updated form in December 2024.

Risk identification

Risk identification comprises the regular and systematic analysis of internal and external developments and events that could lead to negative divergences from the defined targets of the RMS. Corporate risks are continuously monitored and reviewed by the risk owners. A complete survey of the NFON Group's risks (risk identification) is conducted once a year. During the course of the year, the risks are updated every six months. The risk owners communicate their risks to the risk manager. The risk manager collates all risks in a central risk inventory and determines the overall risk

position. This is compared with available liquid funds after each inventory in order to determine the risk-bearing capacity. After each inventory, the risk manager reports to the Management Board on the results of the inventory and the risk-bearing capacity analysis. After the main inventory, the Management Board informs the Supervisory Board about the NFON Group's risk situation.

Opportunities are not covered by the risk inventory of the risk management system, but are instead analysed within strategy processes at management level, including using business assessments.

The NFON Group utilises both bottom-up and top-down risk identification methods. Risk owners use interviews and questionnaires to determine and update the risks of their area or to provide input for risks of other areas (bottom up). The reporting and identification process also includes sustainability-related topics. If relevant issues are identified during the risk identification process, they are recognised as risks and included in the regular risk management process. Irrespective of this, the Management Board assesses corporate strategy risks and opportunities, in particular, as part of the top-down approach.

In addition, all employees are involved in risk identification via a risk ad hoc process. They can report risks to the risk owners or to the risk manager at any time in person, by telephone or via e-mail (bottom up). The underlying process also controls the reporting rules if risks entailing a serious or significant impact are reported.

Risk assessment

Risk assessment deals with the impact of risks on the company's financial targets. Risks are assessed at individual risk level both before and after countermeasures. These assessments are transparent and clear and apply a consistent methodology. Risks are assessed from monetary perspectives. The loss amount is defined as the extent of a risk regardless of the nature or method of determination. The probability of occurrence is defined as the calculated or estimated probability of the risk occurring within the twelve months following the end of the reporting period.

The risk assessment distinguishes between gross and net risks. Gross risks constitute risks that exist if no measures have yet been implemented to mitigate the risk. Net risks are risks that exist after measures have been implemented, and thereby represent the residual risk. The total risk exposure is the total of the net risks assessed.

To limit identified risks, appropriate measures are defined and implemented within the NFON Group. These include, for example, measures in the areas of sales management and customer management, the continuous analysis of market and competitive developments, investments in the stability and security of the cloud infrastructure, as well as training and development measures for employees.

The NFON Group uses a 5x5 risk calculation matrix for categorisation that analyses both the potential loss volume and the respective probability of occurrence into five classes.

The individual risks are allocated to five classes based on the combination of the potential loss amount and the estimated probability of occurrence. These categories are presented visually in the 5x5 risk matrix: serious (red), significant impact (orange), material impact (yellow), no material impact (green) and no impact (blue).

Loss amount

Class	Description	Influence on the liquidity of the NFON Group in EUR
5 – Very high	Serious loss potential	$\geq 1,500,000$
4 – High	Significant loss potential	$1,500,000 > x \geq 750,000$
3 – Medium	Medium loss potential	$750,000 > x \geq 500,000$
2 – Low	Low loss potential	$500,000 > x \geq 250,000$
1 – Very low	Insignificant loss potential	$250,000 > x \geq 50,000$

Probability of occurrence

Class	Description	PO
5 – Almost certain	Almost certain risks anticipated in every financial year	$90\% < x \leq 100\%$
4 – Probable	Probable risks that occur every one to two years	$50\% < x \leq 90\%$
3 – Possible	Possible risks that occur every two to five years	$20\% < x \leq 50\%$
2 – Improbable	Improbable risks that occur every five to ten years	$10\% < x \leq 20\%$
1 – Remote	Extreme risks or remote risks that occur less frequently than every ten years	$0\% < x \leq 10\%$

Risk matrix



The aim of process-integrated controls is to continuously monitor and track the process steps of the risk management system. The focus is on an orderly process. The risk committee, whose members include the risk manager, the CFO and the Compliance Officer, reviews the status of the controls at least once a year and documents the review. The NFON Group's RMS is regularly subjected to an internal audit by an external service provider. The aim is to have a maximum cycle of three years. The last audit was conducted in 2025.

Opportunities for the NFON Group

The NFON Group assesses its opportunities qualitatively and does not quantify them or analyse them in an opportunity matrix. This evaluation is conducted annually at the end of the reporting period and covers a forecast period of twelve months. This opportunity analysis emphasises the company's strategic approaches and potentials to promote sustainable profitable growth, expand technological differentiation in AI-based business communication and systematically strengthen operational efficiency and proximity to customers. The Group's NFON Next 2027 strategy builds on the identified opportunity areas and addresses them through strategic growth initiatives. In particular, the systematic integration of AI functions into the product portfolio, the further development of modular, API-based architectures and positioning in regulation-intensive European markets stand out as key areas of opportunity. Further information can be found in the sections [↻ Markets and product areas](#), [↻ Strategy and goals](#) and [↻ Sector-related conditions](#).

Operational excellence and efficiency potentials

NFON sees the ongoing digitalisation, AI-based automation and standardisation of internal processes, as well as the further development of agile organisational and management models, collectively as a significant opportunity to sustainably enhance its efficiency. The optimisation of the Business Support System (BSS) and the increased use of data-based management tools create potential for improved resource utilisation, shorter decision-making processes and a structural reduction in the operating cost base. These measures increase the scalability of the business model and support the strategic objective of harmonising growth and earnings quality.

Market and demand-driven opportunities

External market opportunities arise from the ongoing cloud migration, the increasing use of AI-based communication and service functions, as well as changing working models that require integrated, location-independent communication solutions. Moreover, AI is acting as a structural driver of change in the telecommunications and cloud sector, thereby increasingly influencing cost structures, productivity and business models.

In the markets relevant to NFON, demand is being shaped by increasing requirements for customer experience, omnichannel capability, automation, data protection and data sovereignty. Thanks to its consistent focus on European compliance requirements, interoperable architectures and local market knowledge, NFON is well positioned to address additional market potentials, especially in the European SME sector and increasingly also with larger, more complex customer structures.

Product and portfolio development

A key lever for future value creation lies in the continuous development of the modular service portfolio, which includes the areas of Business Telephony, Intelligent Assistant, Customer Engagement and Integrations. While Business Telephony continues to constitute a stable, recurring revenue base, AI-based assistance functions, automation solutions and contact centre applications open up additional growth and upselling potentials.

AI-based differentiation and customer experience

The increasing integration of advanced AI technologies into the solution portfolio offers NFON the opportunity to further establish itself as a leading European provider of AI-based business communication. AI-based functions enhance efficiency on the customer side and improve service quality. Especially in the area of customer engagement, the use of AI-based functions enables the targeted further development of the customer experience. These effects support stronger customer loyalty and the stabilisation of recurring revenue.

Sales excellence and partner ecosystem

The further development of the customer journey, the closer integration of product, sales and service as well as the targeted expansion of the partner network offer additional opportunities for market penetration and scaling. A structured partner programme and close integration of customer and partner feedback into product development increase the market relevance of NFON solutions and create the foundation for joint, sustainable growth.

Risks for the NFON Group

In the financial year 2025, NFON AG conducted a comprehensive risk inventory as part of the risk management system it has implemented. The identified risks were assessed as of end of the reporting period, taking into account an observation period of the twelve months following the end of the reporting period.

Following completion of the risk inventory, the risk inventory comprises a total of seven active risks. No risk was categorised as having a "serious impact on the liquidity position" or a "significant impact on the liquidity position". Seven of the risks could have a material impact on liquidity. This assessment takes into consideration risk minimisation measures that have already been implemented. Of the risks, six risks may have a material impact on liquidity and one can only have an immaterial impact. This assessment takes into consideration risk minimisation measures that have already been implemented. Only risks whose potential impact on liquidity is serious, significant or material and whose net risk assessment exceeds EUR 50,000 are listed in the Annual Report.

Risks that can significantly impact the liquidity situation

Non-compliance with contractually agreed financial covenants

As part of existing financing agreements, the Group is subject to contractual financial covenants. The risk exists that these covenants may not be complied with during the observation period. Non-compliance may lead to contractual consequences (such as adjustments to terms and conditions, additional collateral, restrictions or, in extreme cases, termination rights), which may have a material impact on the Group's financing situation and liquidity position. The Group monitors compliance with relevant covenants on an ongoing basis as part of its financial management. If necessary, discussions are held with financing partners in order to take account of changes in overall conditions in planning and to adjust contractual parameters if necessary.

Market dynamics

Changes in the market environment, particularly due to macroeconomic uncertainty and a subdued investment climate, may dampen demand for IT and communication solutions. At the same time, the ongoing integration of AI functions within the sector is increasing the pressure to innovate and compete. Weaker demand and growing competitive pressure may have a negative impact on revenue and margins and thereby indirectly impact the liquidity position. The Group consistently aligns its product and portfolio development with market and customer needs, particularly in the area of AI-based functions, and continuously develops go-to-market approaches to position itself within the competitive environment.

Customer/product migration

In the course of technological developments and product changes, it may be necessary to migrate existing customers to new platforms or product generations – such as in connection with the migration of customers of the former Deutsche Telefon Standard to the NFON platform. This may lead to the risk that customers do not complete the migration and cancel instead. Increased churn in the context of migration may reduce recurring revenue and earnings contributions and thereby impact the liquidity position. The Group relies on early and transparent communication, staged roll-outs and targeted migration support. In addition, support and partner processes are being further optimised in order to support migrations in a stable manner and counteract potential drivers of customer churn.

Staff and resource availability

Intense competition exists for qualified specialists for the expansion of growth-relevant areas – particularly in AI-related sales and technology profiles as well as technical services. Shortages or rising personnel costs may slow the pace of scaling. Delays in the implementation and scaling of strategic initiatives may restrict revenue potentials and operational efficiency. The Group is systematically expanding its recruitment and staffing processes and developing alternative recruitment strategies in order to fill critical roles in a timely manner.

Data protection breach

Despite the data protection organisation and technical protective measures that are in place, breaches of data protection regulations may occur. These may result in particular from process errors, unauthorised access or cyberattacks, as well as other IT security incidents. Potential consequences include fines, reputational damage and negative impacts on customer relationships and contractual relationships. The Group has established structures for data protection management and information security. These include, among other elements, regular training and awareness measures, defined control and monitoring processes, structured contract management and clearly defined procedures for handling data subject requests. In addition, measures are in place to safeguard IT systems, such as vulnerability and patch management, multi-factor authentication, regular security assessments, as well as contingency and recovery concepts.

In addition to data protection-related process risks, cyberattacks, internal security incidents, vulnerabilities in software or infrastructure and misconfigurations may lead to IT systems being compromised. Security incidents may result in business interruptions, recovery costs as well as potential liability and reputational risks. To mitigate these risks, the Group implements technical and organisational security measures, including vulnerability and patch management, penetration tests, phishing awareness measures and protective measures against distributed denial of service attacks (DDoS); insurance and emergency concepts are also in place.

Contractual penalties/compensation payments

Deviations from contractually agreed service level agreements (SLAs) vis-à-vis partners may result in compensation claims or contractual penalties. Additional payments may have a negative impact on earnings and on the liquidity position and, in the event of repeated deviations, may also have a negative impact on cooperation with partners. To reduce risk, system and process adjustments were established to ensure the best possible fulfilment of SLA conditions. The effectiveness of the measures is monitored on an ongoing basis.

Overall assessment of the NFON Group's opportunities and risk situation

The assessment of the NFON Group's opportunities and risk situation is based on a consolidated view of the material opportunity and risk categories. Based on the current risk assessment and taking into consideration the control and mitigation measures implemented, at present no identifiable going-concern risks exist that could jeopardise the NFON Group or any of its material subsidiaries. At the reporting date, no material risks are apparent that could significantly impair the company's future development.

The Management Board assumes that the NFON Group will continue to be able to meet the challenges of a dynamic market environment and to take advantage of the opportunities arising from it. In doing so, we pursue the objective of actively capturing opportunities and responsibly managing risks in order to create sustainable long-term value for our stakeholders.

Compared to the previous year, the following risks were successfully mitigated and are no longer active:

- **Sales targets:** The management and implementation measures relevant to this risk were transferred to regular management (including the establishment of a AI sales organisation and operational sales expansion). This issue continues to be closely monitored, but is no longer managed as an independent risk.
- **Churn reduction project:** Measures to retain customers and reduce churn were integrated into ongoing customer-related processes (in particular the optimisation of the customer journey). As a consequence, this issue is no longer reported as a project risk.
- **botario synergies:** The key integration and implementation modules were further specified and implemented in the reporting period (including the integration of botario GmbH into the product architecture and the go-to-market capability via the dedicated AI sales organisation). As a consequence, this risk is no longer managed as an independent risk.

- **Pricing:** Pricing and commercialisation measures were further developed and transferred to the commercial set-up (including further development of the commercial set-up and the initiation of a modular licensing model). This matter remains part of ongoing management oversight but is no longer classified as a reportable risk.
- **Churn:** Churn aspects are addressed as part of continuous customer and partner processes as well as product/go-to-market initiatives (including customer journey optimisations and AI-related portfolio elements). Given this, the matter is not currently managed as an independent risk.

The following table summarises the risk situation (net risks) of the NFON Group as of the end of the reporting period and the development of risks compared to the previous year:

Business risks

Risks	Risk class	Year-on-year change
Financing risks	Material impact	Newly added
Market dynamics	Material impact	Newly added
Customer migration	Material impact	Newly added
Staff and resource availability	Material impact	Newly added
Data protection breaches and IT security*	Material impact	Unchanged
Contractual penalties / compensation payments	Material impact	Unchanged

* The risks of data protection breaches and IT security are presented jointly, in contrast to the previous year. The risk assessment for IT security has increased to a material impact level.

Internal control system

The internal control system (ICS) forms an integral element of the company-wide control and risk management system (RMS), including the compliance management system (CMS). The objective of the ICS is to implement controls to provide reasonable assurance regarding the propriety and effectiveness of key company-wide processes, including, among others, the preparation of financial statements and the combined management report in compliance with applicable regulations. In this context, processes and controls for sustainability reporting are also included in the system.¹

Pursuant to section 91 (3) of the German Stock Corporation Act (AktG), the scope and design of the ICS are at the discretion of, and under the responsibility of, the Management Board of NFON AG. The Supervisory Board monitors the appropriateness and effectiveness of the ICS pursuant to section 107 (3) sentence 2 in conjunction with section 107 (4) sentence 1 AktG. Regular monitoring with the aim of remedying identified weaknesses forms part of the ICS and RMS, including the CMS. Improvements are made to the ICS and RMS, including the CMS, on the basis of corresponding findings. An internal audit by an external service provider has been established since the financial year 2023; at the same time, a corresponding coordinating role has since existed within the company. The company's internal audit function independently audits the functionality and effectiveness of the ICS within the Group and at NFON AG.

The ICS comprises both preventive and detective controls; these include:

- IT-based and manual coordination
- Separation of functions
- Dual-control principle
- Management controls
- General programmatic IT controls such as access rules in IT systems and change management

The ICS is continually evolving with the operating processes and consistently responds to new technologies and working practices. The further development of the relevant controls is conducted in coordination with the responsible specialist departments and with due regard to regulatory requirements.

During the financial year under review, isolated weaknesses were identified in certain areas of the internal control system (ICS), the risk management system (RMS) and the integrated compliance management system (CMS) as part of internal audit activities and external audits. These were addressed and appropriate measures were initiated to further develop and strengthen the systems and improve processes.

Statement on effectiveness¹

The Management Board assumes that, following the implementation of the measures initiated, the identified weaknesses will no longer impair the adequacy and effectiveness of the ICS, the RMS and the integrated compliance management system.

Accounting-related internal control system

The accounting-related internal control system contains the principles, procedures and measures for ensuring appropriate accounting. It is developed continuously and aims to ensure that the consolidated financial statements of NFON are prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union, and in compliance with the additional requirements of German commercial law pursuant to section 315e (1) of the German Commercial Code (HGB). In addition, the accounting-related ICS also aims to ensure that the separate annual financial statements of NFON AG and the combined management report are prepared in accordance with the provisions of German commercial law.

As the parent company, NFON AG prepares the consolidated financial statements and the combined management report of NFON AG. This process is preceded by financial reporting for the Group companies included in the consolidated financial statements. From the Management Board's perspective, the processes are monitored by an internal control system

¹ Unaudited information.

that aims to ensure the correctness of financial accounting and compliance with the relevant statutory provisions.

In principle, any internal control system (ICS), irrespective of its specific design, cannot provide absolute assurance that its objectives will be achieved. Accordingly, with regard to the accounting-related ICS, only reasonable, but not absolute, assurance can be provided that material misstatements in financial reporting are prevented or detected.

As part of the accounting-related ICS, risks that could jeopardise the compliance of the consolidated financial statements and the combined management report with applicable standards are identified and assessed. In particular, amendments to relevant statutory provisions and accounting standards are continuously analysed, reflected in Group-wide policies and instruments (such as financial accounting and intercompany guidelines, reporting timetables, standardised reporting formats, IT systems as well as IT-supported reporting and consolidation processes), and incorporated into the financial statement preparation and consolidation processes. These requirements and instruments generally support consistent and proper Group financial accounting. Material findings or deviations are addressed through escalation and reporting channels.

The cross-divisional key functions are managed centrally by the finance department of NFON AG, whereby the individual subsidiaries have a defined degree of independence in the preparation of their financial statements. Employees involved in the financial accounting process receive regular training. The legal representatives of NFON AG and of the Group companies are responsible for compliance with Group-wide guidelines, standards and procedures. The Group companies ensure the appropriate and timely execution of their accounting-related processes and systems.

The management teams of the Group companies in the various countries are responsible for implementing these regulations and for using these instruments. The consolidated financial statements and the combined management report are the responsibility of the Chief Financial Officer of NFON AG. All IFRS reporting packages of significant Group companies that are included in Group consolidation are audited by the local auditor or the Group auditor.

Governance

Corporate governance declaration pursuant to sections 289f and 315d HGB

The corporate governance declaration (pursuant to sections 289f and 315d HGB) includes, among other things, the declaration of conformity pursuant to section 161 AktG, information on corporate governance practices and a description of the working methods of the Management Board and the Supervisory Board. It is available at <https://corporate.nfon.com/en/compliance/>.

Remuneration report and remuneration systems

On the website of NFON AG at <https://corporate.nfon.com/en/compliance/> the applicable remuneration system for the members of the Management Board pursuant to section 87a (1) and (2) sentence 1 AktG, as approved by the Annual General Meeting of NFON AG on 26 June 2025, as well as the resolution of the Annual General Meeting of NFON AG pursuant to section 113 (3) AktG regarding the remuneration of the members of the Supervisory Board, are publicly available.

The remuneration report and the auditor's report on the remuneration report pursuant to section 162 AktG are also published at the same web address.

Takeover disclosures – Management Board report on disclosures pursuant to sections 289a and 315a HGB

More information on this topic is available at <https://corporate.nfon.com/en>.

Voting rights notifications published by NFON AG are available on the Internet at corporate.nfon.com/en/news/ir-news in the voting rights section.

Composition of issued capital with separate disclosure of the rights and obligations associated with each share class as well as the interest held in the share capital

For further details, please refer to the information in note 14 “Equity” of the notes to the consolidated financial statements.

Restrictions relating to voting rights or the transfer of shares

Each share confers one vote at the Annual General Meeting. There are no restrictions on voting rights. All shares, including the shares held by existing shareholders, grant the bearer the same voting rights.

Direct or indirect shareholdings exceeding 10% of voting rights

The following direct and indirect shareholdings existed that exceeded 10% of voting rights as at 31 December 2025:

Shareholdings*

Name/company	Direct/indirect shareholding exceeding 10 % of voting rights
Milestone Venture Capital GmbH, registered office in Hösbach, Germany	Direct 38.1%
Active Ownership Fund SICAV-FIS SCS, Grevenmacher, Luxemburg	Direct 29.5%

* Based on the most recently published capital market announcements.

Shares with special rights

NFON AG has not issued any shares that confer special rights.

Voting controls for employee participation

No voting controls exist.

Statutory regulations and provisions of the Articles of Association for the appointment and recall from office of members of the Management Board and the amendment of the Articles of Association

Statutory regulations and provisions of the Articles of Association concerning the appointment and recall from office of members of the Management Board are consistent with section 84 of the German Stock Corporation Act (AktG). If related good grounds exist, the Supervisory Board can pass a resolution to recall from office or replace a Management Board member. Amendments to the Articles of Association are made in accordance with the statutory provisions of AktG, in particular pursuant to sections 179 et seq. AktG. The Supervisory Board is authorised to make amendments to the Articles of Association that only affect their wording (Article 18 No. 3 of the Articles of Association of NFON AG).

Authorisations of the Management Board, especially to issue or repurchase shares

The Management Board's authorisation to issue shares is regulated in Article 4 of the Articles of Association in conjunction with statutory provisions. As of 31 December 2025, the Management Board had the following authorisations to issue shares:

Authorised Capital

In order to grant the company greater flexibility in its financing, the remaining Authorised Capital 2019 was cancelled and a new Authorised Capital 2021 was created with the option for the moderate disapplication of subscription rights.

The Management Board was authorised, with the approval of the Supervisory Board, to increase share capital on one or more occasions by a total of up to EUR 4,140,281 until June 2026 by issuing new no-par bearer shares with profit participation rights from the beginning of the financial year in which they were issued in exchange for cash or non-cash capital contributions (Authorised Capital 2021). Section 4 (3) of the Articles of Association of NFON AG provides further details.

Contingent Capital I

Following the partial utilisation of the Management Board's authorisation of 9 April 2018 to issue bonds, Contingent Capital I of EUR 2,892,045 remained pursuant to Article 4 (4) of the Articles of Association. As no plans existed to utilise the remaining authorisation volume before the end of the authorisation period, Contingent Capital I was cancelled.

Contingent Capital II (stock option plan)

The company's share capital was contingently increased by up to a further EUR 708,229 by issuing new no-par value bearer shares (708,229 shares) (Contingent Capital II). The contingent capital increase will only be implemented to the extent that holders of stock options issued by the company in the period up to 8 April 2023 on the basis of the authorisation resolution of 9 April 2018 exercise their pre-emption rights to shares in the company and the company does not grant treasury shares or a cash settlement in fulfilment of the pre-emption rights. The new shares in the company arising as a result of these subscription rights being exercised participate in profits from the beginning of the financial year in which they are issued. The Management Board was authorised, with the approval of the Supervisory Board, to determine the further details of the contingent capital increase.

Contingent Capital 2021

In order to promote the loyalty to NFON AG of members of the Management Board and of selected executives of NFON AG as well as of managing directors and selected executives of its affiliated companies by granting special remuneration linked to the company's performance, including a long-term incentive effect and an equity-based risk component, the Annual General Meeting on 24 June 2021 passed a resolution to create the option to issue subscription rights to NFON AG shares to members of the Management Board and management as well as to selected employees of NFON AG and its affiliated companies in conjunction with an additional 2021 stock option plan. The pre-existing authorisation in conjunction with the 2018 stock option plan was utilised in the amount of EUR 708,229 at this time. The unutilised authorisation was also cancelled by way of resolution of the Annual General Meeting, and Contingent Capital II was reduced accordingly in Article 4(5) of the Articles of Association.

The company's share capital was increased contingently by up to EUR 947,883 by issuing new no-par value bearer shares (947,883 shares) (Contingent Capital 2021). Contingent Capital 2021 serves to secure pre-emption rights from stock options issued by the company in the period from 24 June 2021 to 23 June 2026 on the basis of the authorisation granted by the company's Annual General Meeting on 24 June 2021. The contingent capital increase will only be carried out to the extent that stock options are issued and the bearers of these stock options exercise their subscription rights to shares in the company, and the company does not grant treasury shares or cash settlement in fulfilment of these rights. Shares will be issued under Contingent Capital 2021 at the exercise price as determined under the above authorisation of the Annual General Meeting of 24 June 2021. The new shares participate in profits from the beginning of the financial year in which they are issued. The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the contingent capital increase.

Contingent Capital 2023

The Annual General Meeting on 30 June 2023 authorised the Supervisory Board and the Management Board (with the approval of the Supervisory Board) until the end of 29 June 2028, albeit not before Contingent Capital 2023 becomes effective on being entered in the commercial register (which occurred on 21 July 2023), to grant up to 572,883 stock options with pre-emption rights to shares in the company with a term of up to seven years in one or more tranches to be issued annually (2023 stock option plan, Contingent Capital 2023/I). The stock options are exclusively intended for members of the Management Board of the company and employees of the company, as well as the members of management and employees of affiliated companies as referred to by sections 15 and 17 AktG.

The pre-existing authorisation in conjunction with the 2021 stock option plan was utilised in the amount of EUR 375,000 at this time. The unutilised authorisation was also cancelled by way of resolution of the Annual General Meeting and Contingent Capital 2021 was reduced accordingly in Article 4 (6) of the Articles of Association.

The company's share capital was contingently increased by up to EUR 572,883 by issuing no-par value bearer shares (572,883 shares) (Contingent Capital 2023/I). Contingent Capital 2023/I serves to secure pre-emption rights from stock options issued by the company in the period from 30 June 2023 to 29 June 2028 on the basis of the authorisation granted by the company's Annual General Meeting on 30 June 2023. The contingent capital increase will only be carried out to the extent that stock options are issued and the bearers of these stock options exercise their subscription rights to shares in the company, and the company does not grant treasury shares or cash settlement in fulfilment of these rights. The issue of shares from Contingent Capital 2023/I is to be realised at the exercise price as determined pursuant to the aforementioned authorisation of the Annual General Meeting of 30 June 2023. The new shares participate in profits from the beginning of the financial year in which they are issued. The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the contingent capital increase.

Significant agreements of the parent company subject to a change of control in the event of a takeover offer and their repercussions

The parent company has not entered into any significant agreements with subsidiaries subject to a change of control in the event of a takeover bid.

Compensation agreements of the parent company with members of the Management Board or employees in the event of a takeover offer

Stock option plan

The options issued remain unaffected if a third party acquires control of the company in the meaning of section 29 (2) of the German Securities Acquisition and Takeover Act (WpÜG). A "delisting event" is deemed to have occurred if the shares of the company are no longer listed on an organised market (section 2 (5) WpHG). In the event of delisting, the beneficiary has the right under the statutory provisions to demand that the company or its legal successor pay out the option value for each option. The option value is paid out within two weeks of the delisting event occurring.

Forecast

The NFON Group's forecast for the financial year 2026 is based on the expectations and assumptions regarding macroeconomic and relevant sector trends. The opportunities and risks described for the NFON Group may result in a deviation between planning data and the values actually achieved at the end of the year. Furthermore, deviations may arise from the assumptions made for the macroeconomic and sector-specific conditions. Further information can be found in the sections [↻ Markets and product areas](#), [↻ Economic environment](#) and [↻ Opportunities and risks](#).

Management Board's overall assessment of the outlook for the Group

Building on its ambition to set new standards as a leading provider of AI-based business communications, NFON will continue to consistently drive forward its transformation in 2026. NFON Next 2027 forms the strategic framework for this: the NFON Group is embedding AI as an integral element across its entire portfolio, continuously enhancing customer value across communication and service applications and thereby unlocking new market potentials. At the same time, NFON is pursuing a clearly European approach to product and platform development. In doing so, the NFON Group builds on its regional expertise in its core European markets – particularly with regard to regulatory requirements, data protection and data sovereignty – while taking the growing importance of EU compliance and interoperability into consideration. The continued development of the portfolio is consistently geared towards delivering measurable added value to customers through AI-based functionalities and integrated solutions. On this basis, NFON is strengthening its positioning through a reliable, regulation-compliant and innovative value proposition. On the basis of its strategy and strong innovative capabilities, NFON considers itself well positioned to successfully capitalise on opportunities even in a challenging market environment and to achieve its long-term growth targets.

Expected macroeconomic trends

Despite ongoing challenges, the overall economic situation in the EU followed a positive trend. The IMF (2026, World Economic Outlook Update) forecasts that gross domestic product (GDP) in the European Union (EU 27) will expand by 1.5% in 2026, while the eurozone is expected to record slightly lower GDP growth of 1.3%.

According to the Kiel Institute for the World Economy (IfW), the inflation rate in the eurozone is expected to amount to 2.3% in 2026, following 2.1% in 2025 (2026, Kiel Economic Outlook – "World Economy in Spring 2026"). This development is attributable primarily to higher energy prices resulting from the conflict with Iran. At the same time, private consumption is being supported by further increases in real income, thereby strengthening domestic demand. The labour market is likely to remain robust throughout the forecast period.

For Germany, the IMF forecasts GDP growth of 1.1% for 2026. According to the IfW, inflation is expected to increase further, primarily due to heightened uncertainties arising from the geopolitical environment, reaching 2.5% in 2026 after 2.2% last year.

For Austria, the IfW expects a slight recovery and GDP growth of 0.6% in 2026. Inflation is expected to fall further to 2.3% in 2026.

According to the IMF, the growth momentum of the economy in the United Kingdom is weakening slightly again. GDP growth of 1.3% is forecast for 2026. According to the IfW, inflation will fall to 2.5% in 2026, especially due to base effects.

Expected sector trends

For the European market for business telephony (cloud communications), NFON also expects structurally driven growth in the financial year 2026, shaped primarily by the ongoing migration to cloud-based solutions. Cavell (2025, Cloud Communications Market Report Cavell Q2 2025) expects that in many European markets, cloud penetration will exceed 50% by 2029. Key drivers of this growth remain increasing security requirements, hybrid working models and the growing integration of AI-based functions into communication platforms. In particular, in markets with lower levels of cloud adoption to date, including Germany and France, NFON expects a continued migration from on-premise systems to cloud-based solutions.

In the market for AI-based assistance and automation solutions, NFON anticipates above-average growth again in the financial year 2026 compared with its core business of business telephony. Statista Market Insights 2025 forecasts that the market volume for artificial intelligence in Germany will increase significantly from approximately EUR 8.47 billion in 2025 to 2031. The increasing integration of AI into communication, service and administrative processes, as well as the transition towards agent-based systems, is expected to drive rising demand for scalable, AI-based solutions. Gartner (2025, Top Data & Analytics Predictions) forecasts that AI agents will impact around 50% of business decisions in a supportive or partially automated manner by 2027.

NFON also anticipates dynamic market growth in the contact centre and customer interaction systems (CCaaS) area. The market volume in Europe is expected to increase from approximately EUR 1.83 billion in 2025 to around EUR 6.46 billion by 2032, corresponding to a compound annual growth rate of approximately 19.7%, according to Fortune Business Insights (2025, Contact Center as a Service (CCaaS) Europe – Market Analysis, Insights and Forecast 2025–2032). Key drivers include the growing focus on customer experience, the expansion of omnichannel architectures and the increasing deployment of AI-based automation in service processes.

NFON also expects further increasing demand in the area of integration solutions in the financial year 2026. Companies are increasingly integrating communication solutions into existing IT and business processes, which is likely to further increase the importance of interoperable and flexibly scalable platform architectures, according to Cavell.

Expected business performance

For the financial year 2026, NFON expects a moderate recovery in business performance given a still challenging macroeconomic environment. While the underlying markets are developing positively from a structural perspective, they continue to be shaped in the short term by macroeconomic and geopolitical uncertainties.

The Group assumes that the willingness to invest in the market may gradually stabilise over the course of the year, although the timing and pace of individual purchasing decisions may continue to be influenced by macroeconomic developments. NFON expects that related competition will increasingly be less driven by basic technology and more by structure, functionality and regulatory capabilities. The expected development will be driven primarily by the consistent implementation of the NFON Next 2027 strategy. The main focus here is on the further expansion and integration of AI-based solutions, the optimisation of operational processes and focused market development in the core European markets. In addition, the further development of the customer journey will continue in order to further strengthen customer satisfaction and customer retention.

The growth rate of total revenue remains the key performance indicator for managing the Group's development and growth, with recurring revenue continuing to form a central component of the revenue structure. For the financial year 2026, NFON anticipates a moderate improvement in its revenue growth rate compared with the financial year 2025. Business telephony will continue to provide a stable foundation, while AI-based assistance and contact centre solutions are expected to generate the main growth impulses.

Adjusted EBITDA will be approximately at an unchanged level. In this context, planned investments in innovation as well as in the expansion and scaling of AI-based solutions will continue to impact earnings, while also supporting the long-term development and growth of the product and service portfolio. At the same time, effects are expected from the continued optimisation of operational processes as part of NFON Next 2027, as well as efficiency gains from the further development of the product and service portfolio and its operational implementation. The forecasts for the key performance indicators are presented below.

Expected trends in key performance indicators

The trends in key performance indicators in 2026 are expected as follows:

Outlook 2026

	2025 reported	2026 outlook
Growth rate of total revenue	2%	Low to mid-single-digit percentage range
Adjusted EBITDA	EUR 12.6 million	Slightly > EUR 12 million

FORWARD-LOOKING STATEMENTS AND FORECASTS

This Annual Report contains forward-looking statements that are based on the current expectations, assumptions and forecasts of the Management Board of NFON AG and the information currently available to it. These forward-looking statements are subject to various risks and uncertainties and are based on expectations, assumptions and forecasts that may not prove to be accurate in the future. NFON AG does not guarantee that the forward-looking statements will prove to be correct, does not assume any obligation and does not intend to adjust or update the forward-looking statements made in this Annual Report. Further information on this topic can be found in the "Preliminary remark" section.

NFON AG (HGB)

NFON AG is the parent company of the NFON Group and is based in Munich, Germany. The company's business address is: Zielstattstrasse 36, 81379 Munich, Germany. The annual financial statements of NFON AG have been prepared in accordance with the regulations of the German Commercial Code (HGB). Unless otherwise stated, statements made in relation to the Group apply analogously to NFON AG.

Overall assessment of the business and financial situation

The business performance of NFON AG in 2025 reflects the continuing challenging macroeconomic situation in Europe. Revenue increased to EUR 69.9 million (previous year: EUR 68.4 million) and thereby grew by 2.2%. As a consequence, revenue fell significantly short of the forecast ("in the mid to upper single-digit percentage range"). The company also recorded a decrease in recurring revenue and seats. The net loss for the financial year 2025 amounted to EUR – 1.0 million (previous year: net profit for the year of EUR 21.0 million). Adjusted EBITDA of EUR 3.7 million in the reporting year was down compared to the previous year (EUR 5.7 million). The corresponding forecast for the year was thereby clearly not met.

Results of operations

Income statement of NFON AG (HGB) (condensed)

In EUR million	2025	2024
Revenue	69.9	68.4
Other operating income	0.7	24.2
Cost of materials	–9.3	–8.7
Staff costs	–27.3	–26.4
Depreciation and amortisation	–3.7	–4.3
Other operating expenses	–31.5	–29.7
Dividend income	1.6	0.6
Net interest income	–0.6	–0.3
Depreciation of financial assets	–2.8	0.0
Earnings from profit & loss share agreements	1.9	0.0
Income taxes	0.2	–2.8
Profit/loss after taxes	–1.0	21.1
Other taxes	–0.0	–0.1
Net loss/profit for the year	–1.0	21.0

Revenue

Excluding transfer pricing income and transfer pricing credits, NFON AG generated revenue of EUR 64.7 million in the financial year 2025 (previous year: EUR 64.8 million). The stagnation in revenue growth is due, in particular, to the weak market trend and a continuing reluctance to invest in the core market of Germany.

Recurring revenue decreased by 1.0% to EUR 61.7 million (previous year: EUR 62.4 million). Non-recurring revenue increased to EUR 3.0 million in the financial year 2025 (previous year: EUR 2.5 million). This growth is especially due to a higher level of hardware sales.

The number of seats decreased by 2.5% to 472,821 (previous year: 484,976), mainly reflecting weakness in business with new customers, which was unable to offset the reduction or cancellation of seats.

The share of recurring revenue in the total external revenue of NFON AG reduced slightly from 96.3% in 2024 to 95.4% in 2025. This is mainly due to year-on-year higher hardware revenue in the financial year 2025.

Total revenue increased by EUR 1.5 million to EUR 69.9 million in the financial year 2025. This is attributable primarily to an increase in intercompany transfer pricing revenue in connection with the improved operating performance of the subsidiaries.

Other operating income

Other operating income in the previous year included income from hidden reserves in the amount of EUR 23.5 million recognised as part of the merger. Adjusted for this one-off income, other operating income was at the previous year's level at EUR 0.7 million.

Cost of materials

The cost of materials increased from EUR 8.7 million in the previous year to EUR 9.3 million in the financial year 2025, mainly due to a higher level of hardware revenue.

Staff costs

In the financial year 2025, staff costs increased by EUR 0.9 million to EUR 27.3 million (previous year: EUR 26.4 million). The increase is primarily attributable to measures to reorganise top management, which also included severance payments of EUR 0.7 million (previous year: EUR 0.1 million), as well as adjustments to wages and salaries. The disproportionately lower increase in staff costs is due to lower bonuses and holiday provisions.

Depreciation and amortisation

Scheduled depreciation and amortisation reduced from EUR 4.2 million to EUR 3.7 million. Scheduled amortisation of other intangible assets and depreciation of property, plant and equipment were EUR 0.2 million lower than in the previous year. The previous year also included amortisation of internally generated intangible assets in the amount of EUR 0.2 million, which were fully amortised as of 31 December 2024.

Other operating expenses

Other operating expenses increased from EUR 29.7 million to EUR 31.5 million in the financial year 2025. A significant proportion of this increase arose from a EUR 1.2 million rise in expenditure for software customising and further development of the Business Support System (BSS) as well as a EUR 0.5 million increase in marketing expenses.

Income from profit distributions

Income from profit distributions in the financial year under review includes distributions amounting to EUR 1.6 million from botario GmbH, Bremen, Germany, and NFON GmbH, St. Pölten, Austria. In the previous year, only the latter was included in the profit distributions at EUR 0.6 million.

Net interest result

The net income result amounted to EUR –0.6 million in the financial year 2025 (previous year: EUR –0.3 million). The interest expense included in this figure increased in the financial year 2025 due to the loan taken out in August 2024.

Impairment losses on financial assets

In the financial year 2025, non-current loans to subsidiaries in the amount of EUR 2.2 million and the interest in Meetecho S.r.l., Naples, in the amount of EUR 0.6 million were written down through impairment losses. In both cases, business performance in the year under review fell short of expectations. Based on current corporate planning, we currently assume that this impairment will continue.

Income from profit and loss transfer agreements

A profit and loss transfer agreement was concluded with botario GmbH in the financial year 2025. Income of EUR 1.9 million from this agreement was recognised in the reporting year.

Income taxes

In the previous year, income taxes were characterised mainly by the effects of the merger of the former Deutsche Telefon Standard GmbH. In 2024, this related to both current and deferred taxes and amounted to EUR –2.8 million. In the financial year 2025, the reversal of deferred tax liabilities recognised in profit or loss resulted in tax income of EUR 0.2 million. Current tax expenses amounting to EUR 0.2 million were offset by deferred tax income of EUR 0.4 million.

Other taxes

In the previous year, one-off tax payments of EUR 0.1 million were made for other taxes from previous years. In the financial year 2025, a minor amount of motor vehicle taxes of EUR 5 thousand were recognised under this item.

Net loss for the year

The net loss for the financial year 2025 amounts to EUR 1.0 million. Compared with the previous year adjusted for the merger gain of EUR 23.5 million, the net loss for the year improved by EUR 1.5 million. The positive development of the net loss for the year was mainly due to the increase in intra-Group transfer pricing income, higher income from profit distributions as well as income from profit and loss transfer agreements, which more than offset the increase in operating costs and impairment losses.

Financial position

The capital structure of NFON AG consists of equity as well as non-current and current financial liabilities. To finance the acquisition of botario GmbH, NFON AG took out a secured long-term bank loan from Bank für Tirol und Vorarlberg Aktiengesellschaft in the financial year 2024. The carrying amount of the loan as at 31 December 2025 was EUR 4.7 million (31 December 2024: EUR 5.0 million), of which EUR 1.0 million related to the current portion. The loan matures on 31 August 2030. The interest rate is fixed at 6.62% until 30 September 2027; thereafter, it will be adjusted based on the prevailing money and capital market rates at that time. In addition, the company has a credit facility with Bank für Tirol und Vorarlberg with a limit of EUR 2.0 million and a term until 30 November 2028, of which EUR 1.0 million had been drawn down as at the end of the reporting period. Interest is charged based on the term-equivalent EURIBOR plus a margin; a commitment fee of 1.0% is charged on undrawn amounts of the credit facility.

The loan agreements contain customary financial covenants (minimum revenue and minimum EBITDA margin). NFON AG expects to comply with these during the forecast period.

Capital expenditure amounted to EUR 0.4 million. This was offset by EUR 1.0 million higher inflows from profit distributions from subsidiaries.

The cash and cash equivalents of NFON AG decreased by EUR 1.5 million to EUR 4.8 million in the reporting year. The decrease was mainly due to the payment of the first instalment of the contingent purchase price obligation (earn-out) in the amount of EUR 1.9 million and the repayment of the long-term bank loan in the amount of EUR 0.3 million.

No significant changes in the financing structure occurred during the financial year under review.

Net assets

Balance sheet of NFON AG (HGB) (condensed)

In EUR million	2025	2024
Fixed assets	57.2	64.4
Current assets	17.0	15.2
Deferred income	1.7	2.1
Assets	75.9	81.6
Equity	45.3	46.1
Provisions	11.3	11.8
Liabilities	17.6	21.6
Deferred income	0.2	0.2
Deferred tax liabilities	1.5	2.0
Liabilities	75.9	81.6

Fixed assets

Fixed assets decreased mainly due to scheduled amortisation of intangible assets and depreciation of property, plant and equipment in the amount of EUR 3.7 million as well as impairment losses on financial assets in the amount of EUR 2.9 million.

Current assets

The year-on-year increase in current assets of EUR 1.8 million was primarily the result of the increase in receivables from affiliated companies on the basis of receivables from profit and loss transfer agreements of EUR 1.9 million and higher receivables from transfer price income of EUR 1.4 million as of 31 December 2025. Trade receivables as well as other receivables and assets decreased slightly from EUR 8.9 million to EUR 8.6 million.

Equity

Equity decreased by EUR 0.8 million from EUR 46.1 million to EUR 45.3 million, mainly due to the net loss for the year. The capital reserves increased by EUR 0.2 million as a result of the grant of stock options under the employee stock option programme.

Provisions

Provisions decreased from EUR 11.8 million to EUR 11.3 million, mainly due to lower personnel-related provisions, in particular as a result of reduced bonus and vacation provisions. The provisions for severance payments were largely utilised.

The contingent purchase price obligation arising from the acquisition of botario GmbH for the financial years 2025 and 2026 is recognised at its present value. The portion attributable to the financial year 2025 amounts to EUR 3.7 million, while the portion for the financial year 2026 was recognised at EUR 2.8 million.

Liabilities

Liabilities reduced by EUR 4.0 million to EUR 17.6 million. The main reason for this was the payment of the first tranche of the contingent purchase price obligation in the amount of EUR 1.9 million. In addition, liabilities to affiliated companies decreased by EUR 0.9 million and trade payables by EUR 0.2 million. Liabilities to banks in connection with the acquisition of botario GmbH decreased by EUR 0.3 million to EUR 5.7 million as a result of scheduled repayments.

Risks and opportunities

The business performance of NFON AG is subject to the same risks and opportunities as the overall Group, as a matter of principle. As NFON AG exclusively holds 100% interests in its subsidiaries, it bears their risks in full. The analysis conducted as part of the risk inventory in November 2025 did not reveal any additional risks in the subsidiaries that were not already included in the existing inventory or taken into consideration in the budget plans for 2026–2030. The risks and opportunities are presented in detail in the [Opportunities and risks](#) section of the combined management report.

Events after the reporting period

For information on events occurring after the end of the financial year, please refer to note [31 Events after the reporting period](#) in the notes to the consolidated financial statements and the disclosures in the separate annual financial statements of NFON AG as of 31 December 2025.

Forecast

Due to the interrelationships between NFON AG and the Group companies, please refer to the statements in the forecast section of the combined management report. In particular, these statements also reflect the expectations for the parent company. More detailed information can be found in the [Management of key performance indicators](#) section. For the financial year 2026, NFON AG anticipates revenue growth in the low to mid single-digit percentage range. We anticipate a revenue contribution of around EUR 4 to 5 million from the planned merger of botario GmbH into NFON AG. Detailed information on the forecast can be found in the [Forecast](#) for the NFON Group.

Munich, 13 April 2026

Andreas Wesselmann
Chief Executive Officer

Alexander Beck
Chief Financial Officer

03 Consolidated financial statements

Contents

Consolidated statement of financial position	75
Consolidated statement of income and consolidated statement of comprehensive income	76
Consolidated statement of cash flows	77
Consolidated statement of changes in equity	78
Notes	80

 **Interactive table of contents** Click on the individual topics to go to the respective page.

Consolidated statement of financial position

as at 31 December 2025

In EUR thousand	Note	31.12.2025	31.12.2024 restated*	01.01.2024
Non-current assets				
Property, plant and equipment and right-of-use assets	5/6	9,431	9,878	11,630
Intangible assets	7	50,483	51,522	35,433
Investments accounted for using the equity-method	8	–	671	680
Deferred tax assets	9	78	63	823
Other non-current, financial assets	11	468	457	457
Other non-current, non-financial assets	12	320	438	306
Total non-current assets		60,781	63,028	49,329
Current assets				
Inventories	10	80	105	114
Trade receivables	11/13	11,153	10,317	8,966
Contract assets	11/20c	34	69	56
Current recoverable income taxes	24	275	25	38
Current other financial assets	11/13	539	797	786
Current other non-financial assets	12	2,117	2,439	2,337
Cash and cash equivalents	13	12,896	12,995	12,281
Total current assets		27,095	26,748	24,578
Total assets		87,875	89,776	73,907

* The figures for the previous year have been reclassified. Further details can be found in the notes to the consolidated financial statements under 2c2.

In EUR thousand	Note	31.12.2025	31.12.2024 restated*	01.01.2024
Equity				
Issued capital	14	16,561	16,561	16,561
Capital reserves	14	109,514	109,297	109,153
Loss carryforward		–76,606	–78,856	–79,206
Currency translation reserve		573	978	647
Total equity		50,041	47,980	47,155
Long-term provisions	17	60	72	74
Non-current financial liabilities	13/18/19	13,372	17,979	8,483
Other non-current, non-financial liabilities	12	237	839	563
Deferred tax liabilities	9	2,172	2,360	2,176
Total non-current liabilities		15,841	21,250	11,296
Trade payables	13	4,902	5,174	4,963
Current provisions	17	2,584	2,781	3,043
Current income tax liabilities	12	1,472	1,758	812
Contract liabilities	20c	658	546	352
Current financial liabilities	13/18/19	7,435	4,859	1,418
Current other non-financial liabilities	12	4,942	5,429	4,867
Total current liabilities		21,993	20,546	15,456
Total equity and liabilities		87,875	89,776	73,907

* The figures for the previous year have been restated following the correction of an error. Further details can be found in the notes to the consolidated financial statements under 2c. Furthermore some minor figures have been reclassified.

Consolidated statement of income and consolidated statement of comprehensive income

for the period from 1 January to 31 December 2025

In EUR thousand	Note	2025	2024 restated*
Revenue	20	89,065	87,336
Other operating income	21	663	338
Cost of materials		-12,902	-12,856
Staff costs	22	-36,530	-34,927
Depreciation, amortisation and impairments	5/6/7	-7,458	-8,178
Other operating expenses	5/6/7/23	-28,493	-28,654
Impairment losses and bad debts on trade and other receivables	13	-408	-294
Other tax expense		-9	-109
Operating profit		3,928	2,655
Interest and similar income	13	113	228
Interest and similar expenses	13/19	-1,010	-629
Other finance result	13	143	-346
Finance result		-754	-746
Share of losses from companies accounted for using the equity method	8	0	-9
Impairment loss on investments in associates	8	-671	0
Earnings before income taxes		2,503	1,899
Income taxes	24	-457	-1,580
Deferred tax asset	24	203	31

In EUR thousand	Note	2025	2024 restated*
Consolidated result		2,249	350
Attributable to:			
Shareholders of the parent company		2,249	350
Non-controlling interests		-	-
Net income per share, basic (in EUR)	25	0.14	0.02
Net profit per share, diluted (in EUR)	25	0.14	0.02
Consolidated result		2,249	350
Other comprehensive income from FX differences (will be reclassified to profit or loss)		-405	331
Taxes on other comprehensive income (will be reclassified to profit or loss)		-	-
Other comprehensive income after taxes		-405	331
Total comprehensive income		1,844	681
Attributable to:			
Shareholders of the parent company		1,844	681
Non-controlling interests		-	-

* The figures for the previous year have been restated following the correction of an error. Further details can be found in the notes to the consolidated financial statements under 2c. Furthermore some minor figures have been reclassified.

Consolidated statement of cash flows

for the period from 1 January to 31 December 2025

In EUR thousand	Note	2025	2024 restated*
1. Cash flow from operating activities			
Consolidated result		2,249	350
Adjustments to reconcile profit (loss):			
Income taxes	24	254	1,549
Finance result		754	756
Amortisation of intangible assets and depreciation of property, plant and equipment	5/6/7	7,458	8,178
Impairment losses and bad debts on trade and other receivables		408	294
Equity-settled share-based payment transactions	16	217	144
Income (expenses) from sales of fixed assets		3	1
Other non-cash income and expenses		-52	-2
Expenses from associates		-	9
Impairment loss on investments in associates		671	-
Changes in:			
Inventories		25	9
Trade and other receivables		-772	-1,510
Trade payables and other liabilities		-1,249	437
Provisions and employee benefits		-209	-298
Interest paid		-345	-169
Income taxes received/paid, net		-592	-667
Effects of changes in foreign exchange rates		-405	331
Cash flow from operating activities		8,415	9,413

In EUR thousand	Note	2025	2024 restated*
2. Cash flow from investing activities			
Proceeds from the disposal of property, plant and equipment and intangible assets		2	11
Payments for investments in property, plant and equipment	5	-537	-416
Payments for investments in intangible assets	7	-3,549	-2,578
Acquisition of subsidiaries (net of cash acquired)	4	-1,872	-9,913
Cash flow from investing activities		-5,955	-12,896
3. Cash flow from financing activities			
Proceeds from loans and borrowings	18	-	6,000
Repayment of lease liabilities	19	-2,150	-1,838
Repayments of loans		-333	-
Other proceeds/payments		-	-
Cash flow from financing activities		-2,483	4,162
Change in cash and cash equivalents		-23	680
Effects of changes in exchange rates on cash held		-76	35
Cash and cash equivalents at the beginning of the period		12,995	12,281
Cash and cash equivalents at the end of the period*		12,896	12,995

* The figures for the previous year have been restated following the correction of an error. Further details can be found in the notes to the consolidated financial statements under 2c. Furthermore some minor figures have been reclassified.

Consolidated statement of changes in equity

as at 31 December 2025

In EUR thousand	Attributable to owners of the company					Non-controlling interests	Total
	Issued capital	Capital reserves	Currency transla- tion reserve	Loss carryforward	Total equity		
As at 1 January 2025 (restated)	16,561	109,297	978	-78,856	47,980	-	47,980
Total comprehensive income for the period							
Consolidated result for the period	-	0	0	2,249	2,249	-	2,249
Other comprehensive income for the period	-	0	-405	0	-405	-	-405
Total comprehensive income for the period	-	0	-405	2,249	1,844	-	1,844
Transactions with owners of the company							
Equity-settled share-based payment transactions	-	217	0	0	217	-	217
Total transactions with owners of the company	-	217	0	0	217	-	217
As at 31.12.2025	16,561	109,514	573	-76,606	50,041	-	50,041

Consolidated statement of changes in equity

as at 31 December 2024

In EUR thousand	Attributable to owners of the company					Non-controlling interests	Total
	Issued capital	Capital reserves	Currency translation reserve	Loss carryforward	Total equity		
As at 01.01.2024	16,561	109,153	647	-79,206	47,155	-	47,155
Total comprehensive income for the period (adjusted)							
Consolidated profit for the period (before adjustment)	-	-	-	710	710	-	710
Adjustment on correction of error*	-	-	-	-360	-360	-	-360
Consolidated profit for the period (restated)	-	-	-	350	350	-	350
Other comprehensive income for the period	-	-	331	-	331	-	331
Total comprehensive income for the period (adjusted)	-	-	331	350	681	-	681
Transactions with owners of the company							
Equity-settled share-based payment transactions	-	144	-	-	144	-	144
Total transactions with owners of the company	-	144	-	-	144	-	144
As at 31.12.2024 (restated)	16,561	109,297	978	-78,856	47,980	-	47,980

* The retained earnings as at 31 December 2024 have been adjusted to correct an error. Further details can be found in the notes to the consolidated financial statements under 2c.

Notes

Contents

1. Accounting principles	81	13. Financial instruments	109
2. Significant accounting policies	81	14. Equity	119
3. Summary of estimates, judgements and assumptions	95	15. Capital management	120
4. Acquisition of subsidiaries	96	16. Share-based payments	121
5. Property, plant and equipment	98	17. Provisions	123
6. Right-of-use assets from leases	99	18. Financial liabilities	124
7. Intangible assets	101	19. Leases	125
8. Investments in associates	104	20. Revenue	126
9. Changes in deferred taxes	104	21. Other operating income	129
10. Inventories	107	22. Staff costs and employees	130
11. Trade receivables, contract assets and other financial assets	108	23. Other operating expenses	130
12. Other non-financial assets, other non-financial liabilities and income tax liabilities	108	24. Income taxes	131
		25. Earnings per share	132
		26. Transactions with related companies and persons	132
		27. Segment information	135
		28. Consolidated statement of cash flows	137
		29. Contingencies and commitments	137
		30. Other disclosures	137
		31. Events after the reporting period	138
		32. Proposal for the appropriation of the parent company's earnings	139
		33. Declaration of compliance with the German Corporate Governance Code	139

1. Accounting principles

Company overview

NFON is a provider of integrated cloud business communications in Europe. NFON, with its Group management based in Munich, employs approximately 430 people. The Group is represented by its own companies in Germany, Austria, the United Kingdom, Spain, Italy, France, Poland, Portugal and the Republic of Kosovo. NFON also has a large network of partners for sales operations in other countries.

NFON AG has its registered office at Zielstattstrasse 36, 81379 Munich, Germany, and is entered in the commercial register of the Munich District Court under commercial register sheet number 168022. The company is a stock corporation according to German law and is registered in Germany. The business headquarters are located in Munich.

The consolidated financial statements for the financial year ended 31 December 2025 were approved for publication by way of resolution of the Management Board on 13 April 2026.

Consolidated financial statements

The consolidated financial statements and the accompanying notes to the financial statements present the operations of the NFON Group (hereinafter referred to as “we”, “NFON”, “the company”, “the Group”, “the NFON Group”). The consolidated financial statements have been prepared pursuant to International Financial Reporting Standards (IFRS) as published by the International Accounting Standard Board (IASB) and endorsed by the European Union (EU), taking into consideration the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the financial accounting regulations of section 315e (1) of the German Commercial Code (HGB). These consolidated financial statements are based on the going concern principle.

The financial year corresponds to the calendar year.

Currency

The consolidated financial statements have been prepared in euros (EUR), which is both the functional currency and reporting currency of NFON AG. Unless stated otherwise, all figures in the consolidated financial statements and the accompanying notes are commercially rounded to the nearest thousand euros (EUR thousand). As a consequence, rounding differences can occur in the tables in the notes to the consolidated financial statements.

Miscellaneous

The consolidated statement of financial position is divided into current and non-current assets and liabilities pursuant to IAS 1. The consolidated statement of income has been prepared in accordance with the nature of expense method.

Comparative information

The consolidated financial statements include amounts as at 31 December 2025 compared to 31 December 2024 and for the period from 1 January 2025 to 31 December 2025 compared to the period from 1 January 2024 to 31 December 2024.

2. Significant accounting policies

A. New and amended standards effective for the first time in the reporting year

NFON applied the following standards and amendments to existing standards for the first time in the reporting period beginning on 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21), effective from 1 January 2025

These amendments have no material impact on the current period and are not expected to have a material impact on future periods.

B. New standards not yet applied

Apart from IFRS 18, the following standards are expected to have no effect or only an insignificant effect on the consolidated financial statements in the period when they are applied for the first time:

- Annual Improvements to IFRS Accounting Standards – Volume 11, effective from 1 January 2026
- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity, effective from 1 January 2026
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective from 1 January 2026
- Subsidiaries without Public Accountability: Disclosures (including Amendments to IFRS 19), effective 1 January 2027

IFRS 18 Presentation and Disclosures in Financial Statements, effective from 1 January 2027

IFRS 18 replaces IAS 1, with many of the requirements in IAS 1 being adopted unchanged and supplemented by new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. The IASB has also made minor amendments to IAS 7 and IAS 33.

IFRS 18 introduces the following new requirements in particular:

- Companies will be required to classify all income and expenses in the statement of income into five categories: the operating category, the investing category, the financing category, the income taxes category and the discontinued operations category. Companies will also be required to present a newly defined subtotal, "operating profit or loss". Companies' net profit or loss for the period will not change.
- Disclosure of key performance indicators defined by the management (management performance measures or MPMs) in the notes to the financial statements
- Compliance with new guidelines on the grouping of information in IFRS financial statements (aggregation and disaggregation).

In addition, all companies will be required to use operating profit or loss as the starting point for the statement of cash flows when presenting cash flows from operating activities using the indirect method.

A company must apply IFRS 18 for the first time for financial years commencing on or after 1 January 2027, although earlier application is permitted. The amendments to IAS 7 and IAS 33 as well as the revised IAS 8 and IFRS 7 come into force when a company applies IFRS 18, as a consequence of which all amendments must be applied for the first time at the same time. IFRS 18 requires retrospective application with specific transitional provisions.

NFON applies new standards for the first time when they become effective. The effective dates shown above are the dates of initial application of the corresponding amendment in the European Union. If the date of initial application has not yet been set, the amendments have not yet been endorsed by the EU.

The Group is currently assessing the potential impact of the new standard, in particular with regard to the structure of the consolidated statement of income, the statement of cash flows and the additional disclosure requirements for MPMs. The Group is also examining the impact on the way information is grouped in the financial statements, including items currently presented as "other".

C. Adjustments to the previous year

1. Adjustments recognised in profit or loss

In the financial year 2025, it was determined that the difference recognised as a deferred tax asset in the consolidated financial statements as at 31 December, arising from the goodwill recognised in the tax balance sheet at the tax intermediate value following the merger, did not comply with the requirements of IAS 12.

For transactions of this type, the standard does not permit recognition as a deferred tax asset but instead requires the recognition of a deferred tax liability which, pursuant to IAS 12.21B, is built up over the period of the tax amortisation. As a result, the net deferred tax liability was understated by EUR 961 thousand as at 31 December 2024.

Tax loss carryforwards of NFON AG amounting to EUR 601 thousand, which should have been offset against the deferred tax liabilities recognised in connection with the purchase price allocation in 2024 (botario GmbH), were not taken into account. Given the conclusion of a profit transfer agreement with botario GmbH, which was already considered highly probable at the time the financial statements were prepared, the

deferred tax liabilities recognised for this entity should have been offset – taking into account minimum taxation – against the deferred tax assets arising from the tax loss carryforwards of NFON AG.

The following tables summarise the effects of the errors on the consolidated financial statements, including the effects on basic and diluted earnings per share.

The correction of the errors had no impact on total cash flows from operating activities or from investing or financing activities for the period from 1 January to 31 December 2024.

31.12.2024	Adjustments			
In EUR thousand	As previously reported	Adjustments	Adjusted	01.01.2024
Non-current liabilities				
Deferred tax liabilities	2,000	360	2,360	2,176
Other non-current liabilities	18,890	–	18,890	9,120
Total non-current liabilities	20,890	360	21,250	11,296
Retained earnings	–78,496	–360	–78,856	–79,206
Other equity	126,836	–	126,836	126,361
Equity	48,340	–360	47,980	47,155

31.12.2024	Adjustments		
In EUR thousand	As previously reported	Adjustments	Adjusted
Earnings before income taxes	1,899	–	1,899
Income taxes	–1,580	–	–1,580
Deferred tax income	390	–360	31
Consolidated result	710	–360	350
Total comprehensive income	1,040	–360	681
Attributable to:			
Shareholders of the parent company	1,040	–360	681
Non-controlling interests	–	–	–
Net earnings per share, basic (in EUR)	0.04	–0.02	0.02
Net earnings per share, diluted (in EUR)	0.04	–0.02	0.02

Where the correction of the errors resulted in changes to the presentation in the notes to the consolidated financial statements, in particular in notes 9 and 24, the comparative figures for the prior year have been adjusted and are correspondingly identified.

2. Other adjustments not recognised in profit or loss

On the assets side, income tax receivables and contract assets were presented as separate line items in the reporting year. The amount recognised in the previous year under other current non-financial assets was reclassified accordingly. In addition, deposits and financial assets included in other non-financial assets were reclassified to non-current and current financial assets in accordance with their maturities. Here, too, the previous year's figures were adjusted accordingly.

On the liabilities side, contract liabilities are presented as a separate line item. The prior-year amount was correspondingly reclassified from other non-financial liabilities. The non-current portion of the provision for onerous contracts as well as provisions for statutory retention obligations with a maturity of more than one year are presented under non-current provisions. The prior-year figure has been reclassified accordingly from other current provisions. In addition, in note 9 – Changes in deferred tax items – the amounts relating to deferred tax liabilities on intangible assets, deferred tax assets on tax loss carryforwards and the amount of unrecognised tax loss carryforwards have been adjusted for the prior year.

In the statement of income, income from non-cash benefits related to employee benefits is presented net within staff costs. Furthermore, the impairment losses on trade receivables and other receivables recognised in the previous year under other operating expenses have been combined with the expenses or income determined under the expected credit loss (ECL) method into a single line item in the statement of income. Further details are provided in note 13 – Financial instruments, in the notes to the financial statements.

In the table showing the development of right-of-use assets from leases, the opening balances of historical cost (gross carrying amount) as at 1 January 2024 were adjusted due to disposals from terminated lease contracts that had not been presented correctly in previous years, from EUR 18,141 thousand as at 31 December 2023 to EUR 12,570 thousand as at 1

January 2024. In addition, in the table reconciling accumulated depreciation of right-of-use assets from leases, the opening balances of accumulated depreciation as at 1 January 2024 were adjusted (due to disposals from terminated lease contracts not presented correctly in previous years) from EUR 8,776 thousand as at 31 December 2023 to EUR 3,206 thousand as at 1 January 2024. These adjustments had no impact on the carrying amount as at 31 December 2023. In the financial year 2024, disposals relating to both gross carrying amounts and depreciation were corrected to EUR 389 thousand (before adjustment: EUR 21 thousand). These adjustments had no impact on the carrying amount as at 31 December 2024.

Furthermore, the previous-year disclosure on employees in section 22 was adjusted to an average of 397 employees and 13 managers (before adjustment: 409 and 13).

D. Scope of consolidation

The consolidated financial statements include all subsidiaries controlled by NFON AG. All intercompany transactions and balances have been eliminated. The financial statements of the subsidiaries of NFON AG are included in the company's consolidated financial statements from the date that control commences until the date that control ceases, and are prepared for the same reporting period applying consistent financial accounting policies.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. The costs of business combinations are expensed. Agreed contingent consideration is recognised at fair value on the acquisition date. Subsequent changes in the fair value of contingent consideration that constitutes an asset or a liability are recognised in the income statement pursuant to IFRS 9.

Goodwill is measured at cost on initial recognition. It is calculated as the excess of the consideration transferred over the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the acquiree's net assets, the difference is recognised in the income statement following further review.

After initial recognition, goodwill is measured at cost less any necessary impairment. For the purposes of the impairment test, from the acquisition date onward the goodwill acquired in a business combination is allocated to the cash-generating units of the Group that are expected to benefit from the business combination.

The (fully) consolidated Group companies are as follows:

- NFON AG, Munich, Germany (ultimate parent company)
- NFON GmbH, St. Pölten, Austria (wholly owned subsidiary of NFON AG)
- NFON UK Ltd., Maidenhead, United Kingdom (wholly owned subsidiary of NFON AG)
- NFON Iberia SL, Madrid, Spain (wholly owned subsidiary of NFON AG)
- NFON Italia S.r.l., Milan, Italy (wholly owned subsidiary of NFON AG)
- NFON France SAS, Paris, France (wholly owned subsidiary of NFON AG)

- NFON Developments Unipessoal, Lda., Lisbon, Portugal (wholly owned subsidiary of NFON AG)
- NFON Polska Sp. z o.o., Warsaw, Poland (wholly owned subsidiary of NFON AG)
- botario GmbH, Bremen (wholly owned subsidiary of NFON AG since 1 September 2024)
- NFON Hub SH.P.K., Pristina, Republic of Kosovo

In addition, NFON AG holds a 24.9% (previous year: 24.9%) interest in Meetecho S.r.l., Naples, Italy (hereinafter: Meetecho), which is included in the consolidated financial statements of the NFON Group as at 31 December 2025 as an associate using the equity method.

E. Property, plant and equipment

Property, plant and equipment are stated at historical cost less cumulative depreciation and impairment. Depreciation of property, plant and equipment is recognised on a straight-line basis over the estimated useful life. For operating and office equipment, the useful life is 3 to 15 years. Subsequent expenditure is only capitalised if it is probable that the future economic benefits associated with the expenditure will accrue to the Group.

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the lease term.

The assets' carrying amounts, depreciation methods and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

On disposal of items of property, plant and equipment, the cost and related cumulative depreciation and impairment are derecognised from the consolidated statement of financial position and the net amount, less any proceeds, is recognised in the consolidated statement of income.

F. Intangible assets

Intangible assets are stated at cost less any cumulative amortisation and impairment.

Development expenditure is capitalised pursuant to IAS 38 only if the development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group both intends, and has sufficient resources, to complete the development and to use or sell the asset. Other development expenditure is recognised in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is only capitalised for existing other intangible assets if it satisfies the general recognition criteria and enhances the functionality of an existing asset to which it relates. All other expenditure on internally generated products or assets (such as research costs) is recognised in the consolidated statement of income as incurred.

1. Goodwill

Goodwill acquired in the course of business combinations is assumed to have an indefinite useful life due to the lack of time constraints on the generation of net cash flows for the Group. Pursuant to IAS 36, impairment tests are conducted at the level of the cash-generating units at least once per year (at the end of the year) and when indications of impairment exist. Once recognised, impairment losses are not reversed in subsequent periods.

2. Customer base from business combinations

The customer base from business combinations has a finite useful life. It is measured at fair value and amortised on a straight-line basis over the estimated useful life of between 5 and 15 years.

3. Technology/brand from business combinations

Intangible assets for the technology and the brand were recognised as part of the botario acquisition. These are also measured at fair value and amortised on a straight-line basis over the estimated useful life of three years for the brand and ten years for the technology.

4. Capitalised development projects

An internally generated intangible asset arising from development activities or from the development phase of an internal project is recognised if the following criteria are met:

- The completion of the intangible asset is technically feasible so that it will be available for use or sale.
- The intention exists to complete the intangible asset and to use or sell it.
- The ability exists to use or sell the intangible asset.
- The intangible asset is expected to generate future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount at which an internally generated intangible asset is initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the criteria listed above. If an internally generated intangible asset cannot be recognised, or if no intangible asset has yet arisen, development costs are recognised in profit or loss in the period in which they are incurred.

In subsequent periods, internally generated intangible assets, such as acquired intangible assets, are measured at cost less accumulated amortisation and accumulated impairment losses. Within the Group, capitalised development costs are generally amortised on a straight-line basis over a useful life of three to seven years.

Pursuant to IAS 36, impairment tests for capitalised development projects under development are performed at least once a year (at year-end) and whenever indications of impairment exist, at the level of the cash-generating unit. Once recognised, impairment losses are not reversed in subsequent periods.

Research costs are not capitalised and are expensed in the income statement when they are incurred.

The above principles also apply to the development of software used internally and not intended for direct marketing.

G. Impairment test

The recoverable amount of an asset or CGU is the greater of its corresponding value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate before tax that reflects current market assessments of the

interest effect and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Such impairment losses are recognised in profit or loss. In principle, the carrying amount of the goodwill allocated to the CGU is reduced first. If this figure amounts to zero, then pro rata impairment is applied to the carrying amounts of the other assets of the CGU or the group of CGUs. If an indication exists of impairment of an asset within a CGU that contains goodwill, however, the respective asset is tested for impairment first, before this test is performed for the CGU. Any impairment is then initially allocated to the respective asset. If any impairment remains, the (general) procedure described above is applied accordingly.

An impairment loss on goodwill is not reversed in subsequent years. Impairment on other assets can only be reversed taking into consideration any depreciation or amortisation recognised in the interim.

Development projects that are not yet completed are tested for impairment annually and when indications of impairment exist. Completed development projects that are subject to amortisation are tested for impairment when indications of impairment exist. For jointly used assets that cannot be allocated to a cash-generating unit, the impairment test is performed at the level of the group of the units using those assets.

H. Inventories

The Group's inventories mainly consist of a minimal stock of hardware, such as telephones that are sold to customers or used temporarily by customers for testing purposes. Inventories are measured at the lower of cost and net realisable value.

I. Financial instruments

Financial instruments are accounted for pursuant to IFRS 9. Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the financial instrument.

1. Recognition and initial measurement of financial assets

Trade receivables are initially recognised when they are originated. Customers are granted appropriate payment terms based on an assessment of the customer's financial situation. Trade and other receivables consist of amounts billed and currently due from customers or other debtors to the Group. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

A regular way purchase – or sale – of financial assets is recognised and derecognised as at the trade date.

Cash comprises cash on hand and bank balances. All highly liquid investments with original terms of three months or less from the purchase date are considered cash equivalents. Cash and cash equivalents comprise cash on hand, cash balances and call deposits. These are recognised at fair value plus transaction costs that are directly attributable to the purchase or issue.

2. Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified and measured at amortised cost, at fair value through other comprehensive income (debt instruments and shareholdings designated at FVOCI), or at fair value through profit or loss (equity instruments). With the exception of current trade receivables, financial assets are initially recognised at fair value, including any transaction costs.

Financial assets are not reclassified subsequent to their initial recognition unless the Group modifies its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through other comprehensive income.

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows.
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less impairment. The approach for measuring impairment losses is described in note 11 – Trade receivables and other financial assets.

Cash and cash equivalents are subsequently measured at amortised cost.

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss.

Business model assessment

The Group defines the business model in which the financial assets are held at a portfolio level.

Financial assets are assessed as to whether contractual cash flows are solely payments of principal and interest on the outstanding principal amount.

The cash flow criterion is assessed in conjunction with classification. The classification then determines the measurement category. For the purposes of the assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding over a particular period of time and for other basic lending risks and costs (such as liquidity risk and administrative costs), plus an appropriate profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

Financial assets: Classification, subsequent measurement and gains and losses

Financial assets measured at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Debt securities measured at fair value through other comprehensive income

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses cumulatively recognised in other comprehensive income are reclassified to profit or loss.

Equity investments measured at fair value through other comprehensive income

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are initially recognised at fair value, including any transaction costs, according to the applicable measurement category. They are subsequently classified as measured at amortised cost or at fair value through profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. A financial liability is classified as at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities measured at fair value to profit or loss are measured at fair value, and net gains and losses, including any interest expense, are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. This measurement model takes into consideration the present value of the expected payments, discounted at the debt interest rate appropriate to the term. In addition, various target achievement scenarios are included in the measurement model, taking probabilities of occurrence into consideration. The Group has decided in favour of this measurement method. Taking into consideration the available inputs factors, such as corporate planning at the time of purchase, agreements in

the purchase agreement regarding target overachievement or target underachievement, and the weighting of various occurrence scenarios, the Group believes that the valuation model leads to a realistic expected value for the contingent purchase price obligation (earn-out). A detailed presentation of the target achievement scenarios and the probabilities of occurrence can be found in note 13 – Financial instruments.

3. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows from a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

In some circumstances, the renegotiation or modification of the contractual cash flows of a financial asset can lead to the derecognition of the existing financial asset pursuant to IFRS 9. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a “new” financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

5. Impairment of financial instruments

The scope of expected credit losses includes financial instruments at amortised cost, contractual assets, financial assets (debt instruments measured at fair value through other comprehensive income) as well as certain financial guarantees and loan commitments. The Group recognises impairment losses for expected credit losses on financial assets measured at amortised cost through profit or loss. Impairment losses for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses (ECLs).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The 90-day threshold is based on historical experience and implemented measures. After 90 days, past-due receivables are transferred to a collection agency and are individually assessed using valuation discounts derived from historical recovery rates.

The Group considers a financial asset to be in default when the counterparty files for bankruptcy. In this case, the financial asset is written off in full. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses (ECLs) are calculated using the simplified approach. As a consequence, ECLs are recognised over the lifetime of trade receivables and contract assets without the need to identify significant increases in credit risk.

Credit-impaired financial assets

The Group assesses whether financial assets carried at amortised cost are credit-impaired as at the end of each reporting period. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulties on the part of the borrower or issuer,
- a breach of contract such as a default or being more than 90 days past due,
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise,
- it is probable that the borrower will enter bankruptcy or other financial reorganisation, or
- the discontinuation of an active market for a security due to financial difficulties.

Presentation of impairment losses for ECLs in the statement of financial position

Impairment losses for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

6. Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that no realistic prospect of recovery exists. This is typically the case if the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts to be written off. However, financial assets written off can still be subject to enforcement.

7. Finance income and finance costs

The Group's finance income and finance costs include:

- interest income, and
- interest expenses, as well as
- dividend income.

Interest income or expenses are recognised using the effective interest method. Dividend income is recognised in profit or loss when the Group's right to receive payment is established.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

J. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an arm's-length transaction between market participants on the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of a liability reflects its non-performance risk.

The best evidence of the fair value of a financial instrument on initial recognition is typically the transaction price, in other words, the fair value of the consideration rendered or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, the financial instrument is initially measured at the fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. This difference is then recognised in profit or loss over the term of the instrument.

The Group applies measurement techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows. The allocation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices on active markets for identical assets or liabilities

- Level 2: Measurement techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Measurement techniques for which the lowest level input that is significant to the fair value measurement is unobservable

K. Foreign currency translation

The financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in euros, which is the Group's reporting currency.

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate for the reporting period. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency translation differences are recognised in profit or loss.

The functional currency of the foreign subsidiary NFON UK Ltd. is the British pound (GBP). The functional currency of the foreign subsidiary NFON Polska Sp. z o.o. is the Polish zloty (PLN).

As at the end of the reporting period, the assets and liabilities of this subsidiary are translated into the Group's reporting currency at the rate of exchange prevailing at the end of the reporting period (spot exchange rate). The statement of com-

prehensive income is translated at the average exchange rate for the reporting period. The foreign currency translation differences are reported in other comprehensive income and recognised as a separate component of equity. On disposal of the foreign entity, the foreign currency translation differences recognised up to this point in equity are recognised in the statement of comprehensive income. The consolidated statement of cash flows is translated at the average exchange rate for the period; cash and cash equivalents are translated at the closing rate for the period.

The following exchange rates (foreign currency unit in EUR) have been used for the respective consolidated financial statements:

	Spot rates		Average rates	
	As at 31.12.2025	As at 31.12.2024	2025	2024
GBP	1.1460	1.2060	1.1674	1.1834
PLN	0.2369	0.2339	0.2359	0.2325

L. Issued capital

Ordinary shares are classified as issued (share) capital. Incremental costs directly attributable to the issue of new shares or stock options are recognised in equity (in reserves) as a deduction from issue proceeds, less taxes.

M. Share-based payments

As a form of remuneration and to help retain certain employees (including managers) at the Group, NFON issues employee stock options (equity-settled share-based payments). These are reported and measured pursuant to IFRS 2.

The fair value as at the grant date of equity-settled share-based payment arrangements granted to employees is recognised as a staff cost, with a corresponding increase in equity, on a straight-line basis over the vesting period. This period ends on the day when it first becomes possible to exercise the options. The fair value is calculated by an external expert using a suitable option pricing model and taking any market performance conditions into consideration. No true-up exists for differences between expected and actual results. By contrast, non-market performance conditions and the minimum holding period by the company are reassessed in the quantity structure as at the end of each reporting period.

The dilutive effect of the outstanding stock options is taken into consideration, in line with dilution protection, when calculating earnings per share.

N. Provisions

A provision is formed when a present legal or constructive obligation exists as a consequence of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and that obligation can be measured reliably. If the effect of the time value of money is material, provisions are discounted using a discount rate that reflects current market assessments and the risks specific to the obligation. The corresponding interest effect is recognised in the income statement in the finance result. Provisions are reviewed on a regular basis and adjusted to reflect management's best current estimates. As provisions are subject to certain discretion, the future settlement of the respective obligation can deviate from the amounts recognised in provisions. Significant estimates are involved in the determination of provisions related

to legal and regulatory proceedings and governmental investigations.

Further details on provisions can be found in note 17 – Provisions and note 29 – Contingencies and commitments.

O. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which corresponds to the initial measurement of the lease liability, adjusted for payments made on or before the commencement date, plus any initial direct costs and the estimated costs to dismantle or remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is then amortised on a straight-line basis from the commencement date until the end of the lease term, unless ownership of the underlying asset is transferred to the Group at the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In this case, the right-of-use asset is amortised over the useful life of the underlying asset, which is determined according to the regulations for property, plant and equipment. In addition, the right-of-use asset is continuously adjusted for impairment, where necessary, and to reflect certain remeasurements of the lease liability.

The lease liability is initially recognised at the present value of the lease payments not yet paid as at the commencement date, discounted at the interest rate implicit in the lease or, if this cannot be readily determined, at the Group's incremental borrowing rate. The Group normally uses its incremental borrowing rate as the discount rate.

To determine its incremental borrowing rate, the Group obtains interest rates from various external financial sources and makes certain adjustments to take account of the lease conditions and the type of asset.

The lease payments included in the measurement of the lease liability comprise:

- fixed payments, including de facto fixed payments, variable lease payments that are linked to an index or (interest) rate, initially measured using the index or (interest) rate applicable at the commencement date;
- amounts that are expected to be payable on the basis of a residual value guarantee; and
- the exercise price of a purchase option if the Group is reasonably certain that it will exercise this option, lease payments for an extension option if the Group is reasonably certain that it will exercise this option, and penalty payments for early termination of the lease unless the Group is reasonably certain that it will not terminate the lease early.

The lease liability is measured at its amortised carrying amount using the effective interest method. It is remeasured if

- the future lease payments change as a result of an index or (interest) rate change,
- the Group revises its estimate of the expected payments under a residual value guarantee,

- the Group changes its assessment of whether a purchase, extension or termination option will be exercised, or a de facto fixed lease payment changes.

In the event of such a remeasurement of the lease liability, the carrying amount of the right-of-use asset is adjusted accordingly and this adjustment is recognised through profit or loss if the carrying amount of the right-of-use asset has fallen to zero.

The Group has opted not to recognise right-of-use assets or lease liabilities for leases for low-value assets (with a cost of less than EUR 5 thousand) or short-term leases, including IT equipment. The Group recognises the lease expenses associated with these leases on a straight-line basis in the statement of income, in line with their use.

The Group has entered into a sublease agreement for part of its premises at the Berlin location. The sublease runs from 1 February 2024 until 31 December 2026. The sublease may be extended once until 31 October 2028. The sublease is classified as an operating lease, as not all the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. The monthly rent of EUR 7 thousand is recognised in profit or loss under other operating income.

P. Revenue

According to IFRS 15, Revenue from Contracts with Customers, NFON recognises revenue to present the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The following five-step model is used:

- identify the contract(s) with a customer,
- identify the performance obligations in the contract,
- determine the transaction price,
- allocate the transaction price to the performance obligations in the contract, and
- recognise revenue when (or as) the entity satisfies a performance obligation.

Customer contracts are typically month-to-month contracts, in other words, they do not have a minimum contract duration and are renewed month by month if not cancelled. However, there are also contracts with a minimum contract duration, such as 12, 24 or 36 months. Customer contracts include (i) recurring services, and (ii) non-recurring services and products.

A performance obligation is the unit of account for revenue recognition under IFRS 15. At contract inception, NFON assesses the goods or services promised in the contract and identifies the following as a performance obligation:

- a good or service (or a bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

NFON performs such an evaluation for all goods or services promised and activities explicitly stated in arrangements with the customer. For example, monthly telephone services and delivery of hardware are capable of being distinct, and distinct within a contract. Services – such as activation fees or the porting of existing numbers – are not deemed separate performance obligations as they result in an extension of the NFON network and do not transfer a good or service to the customer. Further, the customer cannot choose not to purchase activation activities without significantly affecting the monthly telephone services.

1. Recurring revenue

Recurring revenue derives from fixed monthly licence fees per seat ("per seat model") or platform services as well as fixed or volume-based usage fees for voice minutes and Session Initiation Protocol (SIP) trunk services. In the "per-seat model", customers pay a monthly fee per seat for the use of NFON's cloud technology. The amount of the monthly licence fee per customer is dependent on the type and number of available optional features and vertical solutions as well as the maximum number of devices that can be used per seat. The licence fees deviate marginally in different countries. All tariffs (across all segments and regions) offer customers the advantage that all platform, maintenance and feature upgrades are included in the monthly licence fee and updates are available automatically for every user once released, without the need for additional on-site service. Customers can pay NFON for voice telephony usage (in other words, airtime) either on the basis of a flat rate for airtime or on a per minute-based charging model. Customer contracts can also include both: a monthly flat rate and monthly variable per-minute airtime services.

Recurring revenue may also arise from the provision of services, in particular in connection with licensed AI platform solutions. Revenue from service contracts is recognised in line with the performance of the services, in other words, as a matter of principle on a pro rata basis over the contract term (typically twelve months). Revenue from contracts billed on a time-and-materials basis is recognised as the related hours are performed, at the contractually agreed hourly rates.

If monthly telephone services are provided to the customer, revenue is recognised on a monthly basis.

2. Non-recurring revenue

Non-recurring revenue is mainly generated when hardware and communication devices are sold to customers and when specific consulting or training services are provided to the customers, or a customised software development service is rendered. Where a contract for customised software development gives rise to a performance obligation to deliver a work product, revenue is recognised based on the stage of completion (percentage-of-completion method). The stage of completion is generally determined using the cost-to-cost method, in other words, by reference to the proportion of contract costs incurred to date relative to the estimated total contract costs at the reporting date.

Recurring and non-recurring revenue is measured on the basis of the consideration specified in a contract with a customer. The Group recognises revenue when it transfers the control over a product or service to a customer.

The Group combines two or more contracts when the contracts are entered into at or near the same time with the same customer or related parties of the customer, contracts are entered with a single performance objective where the amount of consideration of one contract is dependent on the price or performance of the other contract and the goods or services promised in the contracts are single performance obligations. Total consideration in the contract is allocated to all the products and services based on the relative standalone selling prices of each performance obligation.

The Group recognises the revenue when the customer obtains control of the goods or services. Under sales of hardware, control is transferred in the form of delivery of the hardware, in other words, at this point in time. If non-recurring products and services are delivered or provided, the revenue is recognised when the performance obligation is fulfilled.

3. Month-to-month contracts

For month-to-month contracts, revenue is recognised over time in the month when the corresponding service was rendered. Such contracts include an obligation with regards to monthly telephone services, and at times, an obligation with regards to hardware sales and other non-recurring services at the beginning of the contract.

4. Long-term contracts

For long-term contracts, in other words, contracts with minimum contract duration, NFON determines at the inception of a contract whether goods and services are capable of being distinct and distinct within the context of the contract.

The hardware and the monthly telephone services are separable in NFON's contract as they are not inputs for a single asset (in other words, a combined output), which indicates that NFON is not providing a significant integration service. Neither the hardware nor the monthly telephone services significantly modify or customise each other. In some cases, NFON subsidises the hardware sold for the customer.

Non-recurring services, such as activation of the ports or porting of existing numbers, result in the extension of NFON's network. Customers cannot choose to not purchase activation activities, for example, without significantly affecting the monthly telephone services (service not possible without activated port). Additionally, the customer cannot choose to contract with different parties for the activation activities, on the one hand, and the monthly telephone services, on the other. To this extent, the corresponding accounting treatment at NFON is realised under the premise that non-recurring services such as activation or porting do not form a separate performance obligation. The consideration received for services that do not qualify as a separate performance obligation is allocated to the performance obligations over the life of the contract.

Long-term contracts include fixed consideration (such as fixed monthly fees for airtime or the price for hardware) and variable consideration (such as a fee per usage), but not a significant financing component. At the inception of the contract, after identifying the relevant performance obligations, NFON determines the estimated transaction price for the total initially committed fixed consideration.

Variable future consideration for the fee per usage is not committed at inception, and consequently is not included in the estimated transaction price. The total consideration is allocated based on the relative standalone selling prices to the non-recurring products and services, on the one hand, and the recurring, in other words, monthly service performance obligation, on the other. At the level of the performance obligation, NFON determines whether revenue is recognised over time or at a point in time.

Relative standalone selling prices are based on the Group's price list, which is available to customers and potential customers.

Revenue relating to long-term contracts is recognised over time. Where NFON has fulfilled its performance obligation for a specific service or product within the customer contract, the Group recognises revenue. If the Group has not issued an invoice, then the entitlement to the consideration is recognised as an other non-financial asset. When the entitlement to the payment becomes unconditional, the amount is reclassified to trade receivables. A contract liability is reported as a separate line item in the statement of financial position when a customer has paid consideration prior to the entity fulfilling its performance obligation by transferring the related good or service to the customer.

5. Incremental costs of obtaining a contract

NFON regularly enters into commission arrangements with different partners, dealers and other third parties. Commissions that can be incurred by NFON at the start of the contract (in other words, one-time commissions) and on a monthly basis are capitalised as costs of obtaining the contract when they are incremental and are expected to be recovered. These capitalised commissions are released in line with revenue recognition for the associated contract. If the expected amortisation period is one month, then the commission fee is expensed immediately when incurred.

Q. Income taxes

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised through other comprehensive income or directly in equity.

Current income taxes represent the expected tax payable or receivable on the taxable income for the financial year, calculated using the tax rates applicable for that year, including adjustments relating to prior years. The amount of expected tax liability or tax receivable reflects the amount that represents the best estimate, taking any tax uncertainties into consideration. Current tax liabilities also include all tax liabilities that arise as a consequences of the termination of dividends.

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the end of the reporting period. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- if the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- and in respect of taxable temporary differences associated with interests in subsidiaries, if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, can be utilised, except:

- if the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- and in respect of deductible temporary differences associated with interests in subsidiaries are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. This is based on the tax rates and tax laws in effect as at the end of the reporting period. Future changes to tax rates are recognised as at the end of the reporting period, provided that material substantive conditions in the context of legislative procedures have been fulfilled.

Pursuant to IAS 12.74, deferred taxes are offset if the requirements for offsetting have been met.

IFRIC 23 clarifies the application of the recognition and measurement requirements of IAS 12 when uncertainty exists regarding income tax treatment. Estimates and assumptions must be made for recognition and measurement, such as whether an estimate is made separately or together with other uncertainties, whether a probable or expected value is used for the uncertainty and whether changes have occurred compared to the previous period. The detection risk is irrelevant for the recognition of balance sheet items that are uncertain. The accounting is based on the assumption that the tax authorities are investigating the matter in question and that they have all the relevant information. Future taxation of any dividend distributions is currently at a flat rate withholding tax rate of 25.0% plus a solidarity surcharge on this amount of 5.5%.

R. Segment reporting

Segment reporting is presented in accordance with internal reporting to the Group's chief operating decision maker.

3. Summary of estimates, judgements and assumptions

The preparation of consolidated financial statements pursuant to IFRS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the revenue and expenses recognised for the periods presented. Estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised and future reporting periods, if relevant.

The significant estimates and related assumptions set out below, as well as the uncertainties associated with the accounting policies applied, are critical to understanding the underlying risks of financial reporting and the potential impact these estimates, assumptions and uncertainties may have on the consolidated financial statements.

A. Share-based payments

The costs arising from the granting of equity instruments and appreciation rights to employees are measured in the Group at the fair value of these equity instruments and appreciation rights at the date of grant or, as applicable, at the end of the reporting period. To estimate fair value, an appropriate valuation method is determined for the granting of equity instruments and appreciation rights; this depends on the terms and conditions of the grant. It is also necessary to determine the expected option term, volatility and dividend yield as well as beneficiary turnover and further assumptions. Further details can be found in note 16 – Share-based payment.

B. Determination of the recoverable amount in the impairment testing of goodwill and non-current assets

Please refer to note 2 (Significant accounting policies) F and G – Intangible assets and Impairment test. The planned revenue or planned EBITDA and the discount rate used in the impairment tests involve estimates to a large extent.

C. Development costs

Development costs are capitalised pursuant to the accounting policy described in note 2 (Significant accounting policies) E.4 – Intangible assets – Capitalised development projects. The initial capitalisation of these costs is based on the management's assessment that technical and economic feasibility has been demonstrated; this is generally the case once a development project has reached a defined milestone in the existing project management model. In addition, the management makes assumptions regarding the future economic success of the products or features deriving from the development projects. The corresponding carrying amounts are shown under note 7 – Intangible assets.

D. Current and deferred taxes

Current taxes entail the risk that changes in tax legislation, administrative practice or case law could have adverse tax consequences for the company.

Furthermore, the Group has tax loss carryforwards of various legal entities that could lead to lower tax payments in future years. Deferred tax assets have been recognised to the extent that their recovery is probable, taking into consideration the projected future taxable income of the related entity. Further details on the accounting policies for income taxes and income tax disclosures can be found in note 24 – Income taxes.

E. Expected credit loss on financial assets

We apply assumptions and estimates in determining the expected credit loss of financial assets. Further details can be found in note 13 – Financial instruments.

4. Acquisition of subsidiaries

With legal effect from 22 August 2024, NFON AG acquired 100% of the shares in botario GmbH, Bremen, thereby obtaining control of botario GmbH. botario GmbH specialises in artificial intelligence (AI) for communication solutions. By focusing strongly on speech processing and automation, botario provides custom AI platforms that help companies to optimise their business processes and automate their communication workflows. The acquisition of botario GmbH forms part of NFON's transformation and strengthens its focus on becoming a provider of AI-based business communication solutions.

The initial total purchase price amounts to EUR 18.6 million and consists of a purchase price payment at closing on 22 August 2024 of EUR 10.9 million as well as future earn-out payments dependent on the achievement of EBITDA targets in the financial years 2024 to 2026. If the targets were achieved in full (100%), the cumulative earn-out payments would amount to EUR 7.2 million on an undiscounted basis. The purchase agreement contains provisions under which the earn-out payments may be lower or not payable at all if the targets are not achieved, and may increase to a maximum of 150% if the targets are exceeded. At the acquisition date, the expected value of the earn-out was determined on the basis of an assumed overachievement of the targets, resulting in a discounted earn-out liability of EUR 7.7 million following the final purchase price allocation. All purchase price payments have been, or will be made, in cash.

The purchase price payment at closing was financed partially by a bank loan of EUR 5.0 million with a term of six years and a fixed interest rate of 6.62% until 30 September 2027. In addition, the existing overdraft facility of EUR 1.0 million was utilised, which bears variable interest from 29 December 2025 at three-month EURIBOR +3.00% (until 28 December 2025: +2.75%). On 1 October 2027, the interest rate will be reset based on the money and capital market rates applicable at that time.

As part of the final purchase price allocation, EUR 1.0 million was recognised for the customer base and EUR 1.7 million for the acquired technology. The brand was valued at EUR 0.3 million. In addition, deferred tax liabilities of EUR 1.0 million were recognised on the hidden reserves identified. The remaining amount of EUR 16.0 million was recognised as goodwill and reflects the value of the expertise of the management and employees as well as the value of the existing, qualified team at botario GmbH.

As of 30 June 2025, the provisionally determined goodwill increased by EUR 153 thousand due to an adjustment of the contingent purchase price obligation as part of the initial consolidation. It is expected that none of the goodwill recognised will be deductible for income tax purposes. The adjustment was made within the twelve-month measurement period pursuant to IFRS 3 following the acquisition.

Acquisition of subsidiaries

In EUR thousand	2024	Adjustments	2025
Intangible assets	5	–	5
Identifiable intangible assets	3,042	–	3,042
Property, plant and equipment and rights of use	101	–	101
Trade receivables	370	–	370
Other assets	12	–	12
Cash and cash equivalents	965	–	965
Current income tax liabilities	–222	–	–222
Short-term provisions	–34	–	–34
Trade payables	–11	–	–11
Other liabilities	–201	–	–201
Deferred income	–446	–	–446
Deferred tax liabilities	–971	–	–971
Total identifiable assets acquired and liabilities assumed	2,610	–	2,610
Goodwill	15,851	153	16,004
Total consideration	18,462	153	18,615
Satisfied by:			
Payment upon transfer of shares	–10,878	–	–10,878
Contingent consideration agreement (earn-out)	–7,584	–153	–7,737
Total consideration transferred	–18,462	–153	–18,615
Net cash outflow arising on acquisition:			
Cash consideration	–10,878	–	–10,878
Less: cash and cash equivalent balances acquired	965	–	965
	–9,913	–	–9,913

5. Property, plant and equipment

The major categories of property, plant and equipment and changes in the carrying amount of each category is as follows:

A. Reconciliation of gross carrying amount

In EUR thousand	01.01.2025	Additions	Reclassi- fications	Disposals	Currency effects	31.12.2025
Cost						
Leasehold improvements	706	28	–	–	–10	724
Operating and office equipment	9,582	464	19	200	–9	9,856
Total cost 2025	10,288	492	19	200	–19	10,581

In EUR thousand	01.01.2024	Change in scope	Additions	Reclassi- fications	Disposals	Currency effects	31.12.2024
Cost							
Leasehold improvements	668	–	28	–	–	9	706
Operating and office equipment	8,987	82	633	–	122	3	9,582
Total cost 2024	9,655	82	661	–	122	12	10,288

B. Reconciliation of cumulative depreciation and carrying amounts

In EUR thousand	01.01.2025	Depreciation and amorti- sation	Reclassi- fications	Disposals	Currency effects	31.12.2025
Depreciation and amortisation						
Leasehold improvements	512	74	–	–	–10	576
Operating and office equipment	7,865	742	2	167	–6	8,435
Total depreciation and amortisation 2025	8,377	815	2	167	–16	9,012

In EUR thousand	01.01.2024	Change in scope	Depreciation and amorti- sation	Reclassi- fications	Disposals	Currency effects	31.12.2024
Depreciation and amortisation							
Leasehold improvements	416	–	88	–	–	8	512
Operating and office equipment	6,975	49	930	–	95	5	7,865
Total depreciation and amortisation 2024	7,391	49	1,018	–	95	14	8,377

In EUR thousand	31.12.2025	31.12.2024
Carrying amount		
Leasehold improvements	148	194
Operating and office equipment	1,421	1,718
Total carrying amounts	1,569	1,911

The Group did not recognise any impairment on property, plant and equipment for the years ended 31 December 2025 and 2024. The accumulated amortisation as at 31 December 2025 does not include any accumulated impairment losses. Exchange rate changes had no material impact.

6. Right-of-use assets from leases

A. Reconciliation of gross carrying amount

Right-of-use assets from leases report the following changes:

In EUR thousand	01.01.2025	Additions	Disposals	Currency effects	31.12.2025
Gross carrying amount					
Right-of-use assets from leases for buildings	11,384	1,242	612	-26	11,988
Right-of-use assets from leases for vehicles	1,037	514	106	-	1,444
Bicycles	18	18	6	-	30
Operating and office equipment	98	-	-	-	98
Total right-of-use assets from leases in 2025	12,537	1,774	723	-26	13,561

In EUR thousand	01.01.2024*	Change in scope	Additions	Disposals	Currency effects	31.12.2024
Gross carrying amount						
Right-of-use assets from leases for buildings	11,227	68	101	33	20	11,384
Right-of-use assets from leases for vehicles	1,239	-	153	356	-	1,037
Bicycles	6	-	12	-	-	18
Operating and office equipment	98	-	-	-	-	98
Total right-of-use assets from leases in 2024	12,570	68	266	389	20	12,537

* The cumulative acquisition costs have been adjusted following adjustments to lease agreements that had already been concluded on or before 31 December 2023.

B. Reconciliation of cumulative depreciation and carrying amounts

In EUR thousand	01.01.2025	Depreciation and amorti- sation	Disposals	Currency effects	31.12.2025
Depreciation and amortisation					
Right-of-use assets from leases for buildings	3,984	1,431	581	-16	4,818
Right-of-use assets from leases for vehicles	518	383	106	-	795
Bicycles	6	7	6	-	8
Operating and office equipment	62	16	-	-	78
Total depreciation and amortisation 2025	4,569	1,837	693	-16	5,698

* Accumulated depreciation has been adjusted to reflect adjustments to lease agreements that had already expired on or before 31 December 2023.

In EUR thousand	01.01.2024*	Change in scope	Depreciation and amorti- sation	Disposals	Currency effects	31.12.2024
Depreciation and amortisation						
Right-of-use assets from leases for buildings	2,638	17	1,352	33	10	3,984
Right-of-use assets from leases for vehicles	520	-	353	356	-	518
Bicycles	2	-	4	-	-	6
Operating and office equipment	46	-	16	-	-	62
Total depreciation and amortisation 2024	3,206	17	1,725	389	10	4,569

In EUR thousand	31.12.2025	31.12.2024
Carrying amount		
Right-of-use assets from leases for buildings	7,170	7,400
Right-of-use assets from leases for vehicles	650	519
Bicycles	22	12
Operating and office equipment	21	37
Total carrying amounts	7,863	7,967

The accumulated depreciation as at 31 December 2025 does not include any cumulative impairment losses.

7. Intangible assets

A. Reconciliation of gross carrying amount

Intangible assets report the following changes:

In EUR thousand	01.01.2025	Additions	Reclassi- fication	Disposals	Currency effects	31.12.2025
Gross carrying amount						
Software	3,160	20	–19	–	–	3,161
Internally generated software (in progress)	214	771	–457	–	–	528
Internally generated software	6,541	0	457	–	–	6,999
Capitalised development projects	15,685	166	8,087	1,604	–	22,333
Capitalised development projects in development	7,915	2,647	–8,087	–	–	2,474
Customer base	6,047	–	–	–	–	6,047
Technology	1,683	–	–	–	–	1,683
Brand	325	–	–	–	–	325
Goodwill	28,385	153	–	–	–	28,538
Other intangible assets	526	–	–	–	–15	511
Total intangible assets in 2025	70,482	3,757	–19	1,604	–15	72,600

In EUR thousand	01.01.2024	Change in scope	Additions	Reclassi- fication	Disposals	Currency effects	31.12.2024
Gross carrying amount							
Software	3,069	15	76	–	–	–	3,160
Internally generated software (in progress)	1,363	–	–	–1,149	–	–	214
Internally generated software	5,393	–	–	1,149	–	–	6,541
Capitalised development projects	15,469	–	23	193	–	–	15,685
Capitalised development projects in development	5,632	–	2,476	–193	–	–	7,915
Customer base	5,013	1,034	–	–	–	–	6,047
Technology	–	1,683	–	–	–	–	1,683
Brand	–	325	–	–	–	–	325
Goodwill	12,534	15,851	–	–	–	–	28,385
Other intangible assets	503	–	2	–	–	20	526
Total intangible assets in 2024	48,976	18,909	2,578	–	–	20	70,482

B. Reconciliation of cumulative depreciation and carrying amounts

Accumulated amortisation is as follows:

In EUR thousand	01.01.2025	Additions	Impairment	Reclassifications	Disposals	Currency effects	31.12.2025
Amortisation of intangible assets							
Software	2,920	38	–	–2	–	–	2,956
Internally generated software (in progress)	–	–	–	–	–	–	–
Internally generated software	2,312	1,103	–	–	–	–	3,414
Capitalised development projects	11,346	2,727	–	–	1,604	–	12,469
Capitalised development projects in development	–	–	–	–	–	–	–
Customer base	1,838	560	–	–	–	–	2,399
Technology	56	168	–	–	–	–	224
Brand	36	108	–	–	–	–	145
Goodwill	–	–	–	–	–	–	–
Other intangible assets	449	74	–	–	–	–15	509
Total amortisation of intangible assets 2025	18,959	4,778	–	–2	1,604	–15	22,115

In EUR thousand	01.01.2024	Change in scope	Additions	Impairment	Disposals	Currency effects	31.12.2024
Amortisation of intangible assets							
Software	2,811	10	99	–	–	–	2,920
Internally generated software (in progress)	0	–	–	–	–	–	–
Internally generated software	1,291	–	1,021	–	–	–	2,312
Capitalised development projects	7,689	–	3,658	–	–	–	11,346
Capitalised development projects in development	0	–	–	–	–	–	–
Customer base	1,416	–	422	–	–	–	1,838
Technology	0	–	56	–	–	–	56
Brand	0	–	36	–	–	–	36
Goodwill	0	–	–	–	–	–	–
Other intangible assets	335	–	100	–	–	15	449
Total amortisation of intangible assets 2024	13,541	10	5,393	–	–	15	18,959

Carrying amounts

In EUR thousand	31.12.2025	31.12.2024
Carrying amount		
Software	205	240
Internally generated software (in progress)	528	214
Internally generated software	3,585	4,230
Capitalised development projects	9,865	4,338
Capitalised development projects in development	2,474	7,915
Customer base	3,648	4,208
Technology	1,459	1,627
Brand	181	289
Goodwill	28,538	28,385
Other intangible assets	3	77
Total carrying amounts	50,485	51,523

The Group did not recognise any impairment losses for the financial year ended 31 December 2025 (previous year: EUR 250 thousand). The accumulated amortisation as at 31 December 2025 does not include any accumulated impairment losses (previous year: EUR 250 thousand).

Exchange rate changes had no material impact. The other intangible assets were purchased.

C. Acquired goodwill

Of the goodwill recognised as at 31 December 2025, EUR 16.0 million arises from the acquisition of botario GmbH in 2024 and EUR 12.4 million from the acquisition of Deutsche Telefon Standard GmbH, Mainz (DTS) in 2019. Following the merger in the financial year 2024 and the resultant combined management of the CGUs of NFON AG and DTS (CGU NFON AG) at the level of the legal entity NFON AG, goodwill was reallocated. Goodwill also includes EUR 150 thousand from the acquisition of assets and contractual relationships as well as the existing employment relationships of Onwerk GmbH, Mannheim, (Onwerk) by NFON AG in 2020.

The determination of the recoverable amount as at the end of the reporting period is based on the value in use of the cash-generating unit. The cash flows used are the expected cash flows for the next five years based on the approved budget. The approved budget is based partially on past experience and partially on management forecasts for future business performance. Among other sources, external sources were used to analyse market growth and competitive factors. The average compound annual growth rate (hereinafter: CAGR) of revenue in the detailed planning phase (five years) amounts to 7.84% for the CGU NFON AG and 29.4% for the CGU botario. In the terminal period, revenue growth of 1.5% (2024: 1.5%) and an EBIT margin of 13.7% (NFON AG) and 30.0% (botario) are assumed. This assumption corresponds to the minimum growth expectation of the Management Board following the planning period. In the reporting year, this growth stands below the basic interest rate in effect as at the end of the reporting period. The discount rate used reflects the specific risks of the asset measured. It is calculated in accordance with the capital asset pricing model (CAPM). Accordingly, the equity costs are composed of the risk-free interest rate and a risk premium calculated as the difference between the average market return and the risk-free interest rate multiplied by the risk specific to the company (beta factor). The beta factor is derived from a group of comparable companies. In 2025, a post-tax discount rate of 12.88% was applied for the CGU

NFON AG (11.38% in the terminal period) (2024: 12.91% and 11.41% in the terminal period). The pre-tax discount rate in the reporting year amounts to 18.27% and 16.77% in the terminal period.

For the CGU botario, a post-tax discount rate of 13.88% (previous year: 15.91%) and 12.38% in the terminal period (previous year: 14.41%) was applied. The pre-tax discount rate in the reporting year amounts to 19.74% (previous year: 21.46%) and 18.24% (previous year: 19.96%) in the terminal period.

As part of sensitivity analyses of the key inputs, the Group reviewed the value in use. For the changes in inputs considered reasonably possible by the management, the value in use exceeded the carrying amounts (including goodwill) of the respective CGUs. Changes in the discount rate and reductions in the EBIT targets for the respective planning periods were analysed in isolation. For the CGU botario, an impairment requirement would arise with a reduction of 27% in the EBIT targets or with an increase of 4.59 percentage points in the discount rate.

For the CGU NFON AG, an impairment requirement would arise with a reduction of 25% in the EBIT targets or with an increase of 4.13 percentage points in the discount rate.

D. Acquired customer base/technology/brand

The recognised customer base of EUR 3,646 thousand in the reporting year (31 December 2024: EUR 4,207 thousand) arises from the acquisition of botario GmbH as at 22 August 2024 as well as of DTS as at 1 March 2019. Amortisation in the reporting year amounted to EUR 560 thousand (2024: EUR 422 thousand).

The carrying amount of the technology amounts to EUR 1,459 thousand (previous year: EUR 1,627 thousand). Amortisation in the reporting year amounted to EUR 168 thousand (previous year: EUR 56 thousand). The brand is recognised at EUR 181 thousand (previous year: EUR 289 thousand). In 2025, amortisation of EUR 108 thousand (previous year: EUR 36 thousand) was recognised for the brand.

In total, amortisation of EUR 837 thousand (previous year: EUR 515 thousand) arising from the hidden reserves identified was recognised in the reporting year.

E. Capitalised development projects

Development expenses in the reporting year amounted to EUR 15,959 thousand (previous year: EUR 10,238 thousand). Of this amount, EUR 2,813 thousand (2024: EUR 2,476 thousand) was capitalised under intangible assets. In the reporting year, development costs of EUR 771 thousand (previous year: EUR 0 thousand) relating to the further development of the internal Business Support System were capitalised. In total, EUR 3,584 thousand (previous year: EUR 2,476 thousand) was capitalised in the financial year 2025. As at 31 December 2025, development projects in progress amounted to EUR 3,002 thousand (previous year: EUR 8,129 thousand). The development projects in progress represent jointly used assets. For the impairment test pursuant to IAS 36, the cash-generating unit used is the Group as a whole.

The impairment testing method for development projects and internally developed software currently in development is as described under "Acquired goodwill". The basic assumptions and estimation uncertainties are identical. The CAGR of revenue in the detailed planning period amounts to 9.3% (2024: 16.5%), and the EBIT margin in the terminal period is 13.7% (2024: 29.7%). For projects under development, an impairment test is performed at least once a year, as at 31 December.

If new functions or features are developed for development projects already completed and amortised, the development costs incurred to complete the feature are recognised under the capitalised development costs in development. After the feature is completed, the corresponding development costs are assigned to the development project to which the new feature relates.

8. Investments in associates

The investments in associates comprise exclusively the investment in Meetecho and were fully impaired in the financial year 2025 in the amount of EUR 671 thousand. Among other things, Meetecho provides the technological foundation for the video features marketed by the group.

The impairment included goodwill of EUR 502 thousand determined at the acquisition date as well as the remaining carrying amount of the assets identified in the course of the acquisition (less deferred tax) of EUR 14 thousand. The impairment mainly resulted from a company valuation carried out on the reporting date. Based on Meetecho's business plans for 2026–2028 submitted in October 2025, a proportionate value of the investment of EUR 55 thousand was determined using a discounted cash flow method. In light of the development of current business performance in 2025 and the change in the NFON Group's medium-term strategic direction deriving from the AI strategy newly approved at the beginning of 2025, the management considers the investment to be fully impaired.

The financial information for Meetecho as at 31 December 2025 (31 December 2024) and for the financial year 2025 (2024) is as follows:

In EUR thousand	2025	2024
Current assets	910	824
Non-current assets	2	3
Current liabilities	327	276
Non-current liabilities	25	37
Revenue	637	707
Net profit for the year	46	25
Other comprehensive income	–	–
Total comprehensive income from continuing operations	46	25

9. Changes in deferred taxes

Deferred tax assets and liabilities are recognised on the basis of all temporary differences applying the liability method. Temporary differences arise between the tax base of assets and liabilities and their carrying amounts which are offset over time.

Deferred tax is measured at the tax rates that are expected to apply to temporary differences when they reverse, using tax rates enacted or substantively enacted as at the end of the reporting period. Deferred tax assets are recognised to the extent that it is probable that future positive taxable income will be generated, against which the temporary differences and tax losses can be offset. The future phased reduction of the corporation tax rate to 10% has been taken into account. Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences and the carryforward of unused tax losses.

A. Deferred tax assets/liabilities

In EUR thousand	Financial year ended 31.12.2025			
	Deferred tax assets	Deferred tax liabilities	Changes in the current financial year	thereof in profit or loss
Assets				
Non-current assets				
Property, plant and equipment	0	2,259	185	185
Intangible assets	19	6,956	536	536
Current assets				
Trade receivables	89	0	-28	-28
Other current assets	31	0	-8	-8
Liabilities				
Non-current liabilities				
Non-current financial liabilities	2,076	0	-167	-167
Current liabilities				
Current provisions	0	5	-3	-3
Current financial liabilities	451	0	-6	-6
Other current liabilities	35	0	-12	-12
Subtotal of temporary differences	2,700	9,220	498	498
Tax loss carryforward	4,427	0	-295	-295
Subtotal of temporary differences	7,127	9,220	203	203
Netting	-7,048	-7,048	0	0
Total temporary differences	78	2,172	203	203

Temporary differences between the carrying amount of investments and their tax base (outside basis differences) exist at the end of the reporting period but are not material overall. Accordingly, no deferred taxes have been recognised in respect of this.

In EUR thousand	Financial year ended 31.12.2024 (restated)*			
	Deferred tax assets	Deferred tax liabilities	Changes in the current financial year	thereof in profit or loss
Assets				
Non-current assets				
Property, plant and equipment	–	2,444	432	432
Intangible assets	27	7,500	–452	519
Current assets				
Trade receivables	116	1	43	43
Other current assets	39	1	–7	–7
Liabilities				
Non-current liabilities				
Non-current financial liabilities	2,243	–	–404	–404
Current liabilities				
Current provisions	1	2	–19	–19
Current financial liabilities	457	–	82	82
Other current liabilities	52	5	–4	–4
Subtotal of temporary differences	2,935	9,953	–329	642
Tax loss carryforward	4,721	0	–611	–611
Subtotal of temporary differences	7,656	9,953	–940	31
Netting	–7,593	–7,593	–	–
Total temporary differences	63	2,360	–940	31

* The figures for the previous year have been restated following the correction of an error. Further details can be found in the notes to the consolidated financial statements under 2c. Furthermore some minor figures have been reclassified.

The correction of prior-year figures resulting from the adjustments recognised in profit or loss described in section 2.C.1. affected the presentation of deferred tax assets and liabilities. Deferred tax assets from temporary differences decreased from EUR 5,476 thousand to EUR 2,935 thousand, while deferred tax liabilities increased from EUR 8,679 thousand to EUR 9,953 thousand. Deferred tax assets on tax loss carryforwards increased from EUR 1,266 thousand to EUR 4,721 thousand. After netting, net deferred tax assets amount to EUR 63 thousand (before adjustment: EUR 63 thousand). Deferred tax liabilities are recognised at EUR 2,360 thousand (before adjustment: EUR 2,000 thousand). Of this amount, EUR 31 thousand (before adjustment: EUR 390 thousand) was recognised in profit or loss in the financial year 2024.

Temporary differences between the carrying amount of investments and their tax base (outside basis differences) exist at the end of the reporting period but are not material overall. Accordingly, no deferred taxes have been recognised in respect of this.

B. Tax loss carryforward

The prior-year figures were restated in line with the adjustments recognised in profit or loss described in section 2.C.1.

Due to the tax losses incurred in previous periods, no deferred tax assets are reported for trade tax loss carryforwards of EUR 76,232 thousand (31 December 2024: EUR 77,906 thousand) or for corporate income tax loss carryforwards of EUR 77,609 thousand (31 December 2024: EUR 79,086 thousand). Trade tax loss carryforwards of EUR 76,232 thousand (31 December 2024: EUR 77,906 thousand) relate entirely to prior periods. Of the corporation tax loss carryforwards, an amount of EUR 19 thousand (31 December 2024: EUR 112 thousand) relates to the reporting year and EUR 77,590 thousand (31 December 2024: EUR 78,974 thousand) to earlier periods. The trade tax and corporation tax loss carryforwards for which no deferred tax assets were reported are generally not subject to any restrictions on use.

C. Uncertainty over income tax treatments

The Group is of the opinion that the provisions recognised for tax liabilities are appropriate for all outstanding tax years based on its assessment of multiple factors, including interpretations of tax law and past experience. In particular, we point out that various tax audits (corporate taxes, payroll taxes and social security contributions) are conducted at regular intervals.

D. Global minimum tax

Various global agreements have been reached to address concerns about uneven profit distribution and the uneven tax payments of large multinational enterprises, including an agreement between more than 135 countries to introduce a global minimum tax rate of 15%. In December 2021, the OECD published a draft legal framework, followed by detailed guidance in March 2022, which the individual countries that have signed the deal will use to amend their local tax laws. In Germany, the Global Minimum Taxation Act (MinStG) was passed by the Bundestag and Bundesrat in November/December 2023 and published in the Federal Gazette. This act will become effective for the first time for the financial years beginning after 30 December 2023. The Group is not subject to minimum tax as it has not yet reached the relevant revenue thresholds. Furthermore, apart from the development company in Kosovo, none of the subsidiaries operate in countries where the statutory tax rate amounts to less 15%.

10. Inventories

Inventories amounted to EUR 80 thousand as at 31 December 2025 (31 December 2024: EUR 105 thousand). Inventories mainly comprise hardware, such as telephones. The Group typically has low levels of hardware on hand as hardware is shipped by suppliers "just in time" when requested by NFON based on customer orders. No material impairment losses for obsolete inventory were required in the periods presented.

The cost of materials includes expenses of EUR 2,172 thousand (previous year: EUR 2,198 thousand) for the procurement of hardware.

11. Trade receivables, contract assets and other financial assets

Trade receivables amounted to EUR 11,153 thousand as at the end of the reporting period (31 December 2024: EUR 10,317 thousand). This includes loss allowances of EUR 600 thousand (31 December 2024: EUR 503 thousand). Expenses for loss allowances and write-offs of receivables of EUR 408 thousand were recognised in the reporting year (previous year: EUR 294 thousand).

Contract assets amounted to EUR 34 thousand as at 31 December 2025 (previous year: EUR 69 thousand).

Information about the Group's exposure to credit and market risks, impairment losses for trade and other receivables and changes in loss allowances can be found in note 13 – Financial instruments.

Non-current financial assets of EUR 468 thousand (previous year: EUR 457 thousand) primarily include deposits for long-term lease agreements.

Other current financial assets amounted to EUR 539 thousand as at 31 December 2025 (31 December 2024: EUR 797 thousand) and include security deposits held with banks for rental guarantees.

12. Other non-financial assets, other non-financial liabilities and income tax liabilities

Other non-financial assets as at 31 December 2025 and 2024 were as follows:

In EUR thousand	Financial year ended 31.12.	
	2025	2024
Other non-current assets		
Prepayments long term	313	389
Other non-financial assets	7	49
Subtotal other non-current assets	320	438
Other non-current assets		
Tax receivables	229	34
Prepayments short term	1,632	1,940
Other non-financial assets	257	466
Subtotal other current assets	2,117	2,439
Total other assets	2,437	2,877

Other non-financial liabilities as at 31 December 2025 and 2024 were as follows:

In EUR thousand	Financial year ended 31.12.	
	2025	2024
Other current non-financial liabilities		
Other taxes and charges	1,503	1,500
Liabilities to employees	2,110	2,476
Other non-financial liabilities	1,328	1,452
Subtotal other current non-financial liabilities	4,942	5,429
Other non-current liabilities		
Other non-financial liabilities	237	839
Subtotal other non-current non-financial liabilities	237	839
Other non-financial liabilities	5,179	6,267

The current income tax liabilities of EUR 1,472 thousand recognised as at 31 December 2025 (31 December 2024: EUR 1,758 thousand) relate primarily to the financial year 2024, which was affected by one-off tax effects.

13. Financial instruments

A. Accounting classifications and fair values

Fair value

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31.12.2025	Carrying amount			Fair value			
		Amortised cost	Total carrying amounts				
In EUR thousand	Fair value			Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade receivables*	–	11,153	11,153	–	–	–	11,153
Other financial assets*	–	539	539	–	–	–	539
Cash and cash equivalents*	–	12,896	12,896	–	–	–	12,896
Total financial assets not measured at fair value	–	24,588	24,588	–	–	–	24,588
Financial liabilities not measured at fair value							
Secured bank loan (short and long term)	–	4,667	4,667	–	4,723	–	4,723
Unsecured bank loans (short term)*	–	1,000	1,000	–	–	–	1,000
Trade payables*	–	4,902	4,902	–	–	–	4,902
Lease liabilities (current and non-current)*	–	8,752	8,752	–	–	–	8,752
Total financial liabilities not measured at fair value	–	19,321	19,321	–	–	–	19,376
Financial liabilities measured at fair value							
Contingent liability (earn-out)	6,388	–	6,388	–	–	6,388	6,388
Total financial liabilities measured at fair value	6,388	–	6,388	–	4,723	6,388	6,388

* No fair value disclosed as this is approximately the carrying amount.

The fair value of financial instruments measured at amortised cost (secured bank loans) is determined by discounting, taking into account a risk-appropriate and maturity-matched market interest rate.

31.12.2024	Carrying amount			Fair value			
In EUR thousand	Fair value	Amortised cost	Total carrying amounts	Level 1	Level 2	Level 3	Grand total
Financial assets not measured at fair value							
Trade receivables*	–	10,317	10,317	–	–	–	10,317
Other financial assets*	–	797	797	–	–	–	797
Cash and cash equivalents*	–	12,995	12,995	–	–	–	12,995
Total financial assets not measured at fair value	–	24,109	24,109	–	–	–	24,109
Financial liabilities not measured at fair value							
Secured bank loan (short and long term)*	–	5,000	5,000	–	–	–	5,000
Unsecured bank loans (short term)*	–	1,000	1,000	–	–	–	1,000
Trade payables*	–	5,174	5,174	–	–	–	5,174
Lease liabilities (current and non-current)*	–	8,816	8,816	–	–	–	8,816
Total financial liabilities not measured at fair value	–	19,990	19,990	–	–	–	19,990
Financial liabilities measured at fair value	–						
Contingent liability (earn-out)	8,015	–	–	–	–	8,015	8,015
Total financial liabilities measured at fair value	8,015					8,015	8,015

* No fair value disclosed as this is approximately the carrying amount.

The Group recognises the following net gains or net losses from financial assets or liabilities in its statement of comprehensive income.

- In the category of financial liabilities measured at fair value, losses of EUR 91 thousand were recognised in the financial year 2025 (previous year: losses of EUR 430 thousand). This includes interest expenses from the unwinding of the discount on the contingent purchase price liability of EUR 235 thousand (previous year: EUR 85 thousand). The remeasurement as at the 31 December 2025 reporting date resulted in a reduction of the contingent purchase price liability recognised as income of EUR 143 thousand (previous year: increase recognised as an expense of EUR 346 thousand).
- In the category of financial liabilities measured at amortised cost, interest expenses of EUR 412 thousand were recognised in the financial year under review (previous year: losses of EUR 235 thousand).
- In the category of financial assets measured at amortised cost, losses of EUR 147 thousand were recognised in the financial year under review (previous year: EUR 16 thousand). This primarily includes expenses from the risk assessment of financial assets of EUR 408 thousand (previous year: EUR 294 thousand) and interest income of EUR 113 thousand (previous year: EUR 228 thousand).

Exchange gains recognised in the reporting year (EUR 274 thousand) and exchange losses recognised in the previous year (EUR 258 thousand) mainly result from intra-group items. These are eliminated as part of consolidation, while the resulting exchange effects continue to be recognised in profit or loss in the consolidated financial statements pursuant to IAS 21.

In the reporting year, as in the previous year, the financial result did not include any interest expense calculated using the effective interest method in connection with financial liabilities not measured at cost.

Trade receivables

The carrying amount of trade receivables is typically approximately the same as their fair value due to their short maturities. All trade and other receivables outstanding as at the end of the reporting period are considered as current receivables having short-term maturities.

Trade payables

The carrying amount of trade payables generally approximates to fair value due to their short maturities. Trade and other payables outstanding as at the end of the reporting period are payable within 30 days of the end of the reporting period as per the terms of payment applicable to the company.

Bank borrowings

The carrying amount of the loan (secured and unsecured) corresponds approximately to its fair value.

Contingent purchase price obligation (earn-out)

The fair value of the contingent purchase price obligation (earn-out) is calculated as the present value of the weighted expected values of the individual tranches, discounted at a debt interest rate with an equivalent term. The contingent purchase price obligation (earn-out) outstanding on the reporting date is classified as either current or non-current according to its term. As at 31 December 2025, the following payment obligation arises from the contingent purchase price obligation:

Under an amendment to the purchase agreement concluded in December 2025 with the former shareholders, it was agreed that the outstanding third tranche of the contingent purchase price would be fixed at a target achievement level of 100%. However, the payment date for the third tranche remains unchanged and is scheduled for mid-2027.

In EUR thousand	Weighting in accordance with the purchase agreement	100% earn-out tranches	Planned EBITDA	Weighted planned EBITDA (100%)	Target EBITDA	Weighted target EBITDA
Weighted expected value 2024	20%	1,440	924	185	1,683	337
Weighted expected value 2025	40%	2,880	1,515	606	1,964	786
Weighted expected value 2026	40%	2,880	2,768	1,107	2,768	1,107
Subtotal	100%	7,200	5,207	1,898	6,415	2,229
Target achievement in %						117%
Total obligation (before discounting)						8,457
Payments (up to 31 December 2025)						–1,872
Total obligation as at 31 December 2025 (before discounting)						6,585

The contingent purchase price obligation was discounted to the expected payment dates using a term-specific interest rate of 3.33% and presented according to its maturity.

Change in the contingent purchase price obligation

In EUR thousand	
Contingent purchase price obligation 1 September 2024	7,584
Interest expense 1 September 2024 – 31 December 2024	85
Remeasurement of the contingent purchase price obligation through profit or loss as at 31 December 2024*	346
Contingent purchase price obligation 31 December 2024	8,015
Payment of the first tranche of the contingent purchase price obligation	–1,872
Adjustment to the contingent purchase price obligation as part of the final purchase price allocation, recognised in other comprehensive income	153
Revaluation of the contingent purchase price obligation recognised in profit or loss as at 31 December 2025*	–143
Interest expense 1 January 2025 – 31 December 2025	235
Contingent purchase price obligation 31 December 2025	6,388

* The revaluation of the contingent purchase price obligation, recognised in profit or loss, was carried out in line with the targets achieved in the relevant financial year and was recognised in other financial income.

The contingent purchase price obligation for the financial year 2025 was recognised in the amount of EUR 3,673 thousand in current financial liabilities and in the amount of EUR 2,715 thousand for the financial year 2026 in non-current financial liabilities. As at the 31 December 2025 reporting date, the contingent purchase price obligation for the financial year 2025 was determined on the basis of the final EBITDA and the overachievement of the EBITDA target. The remaining third tranche was recognised assuming a target achievement of 100%, taking discounting into consideration.

In the financial year 2025, adjustments resulting from the remeasurement of the contingent purchase price liabilities and from the adjustment of the final purchase price allocation were recognised in profit or loss in the other finance result in the amount of EUR +143 thousand. As part of the unwinding of the discount in the financial year 2025, EUR 235 thousand (previous year: EUR 85 thousand) was recognised in interest expenses. In addition, within the twelve-month measurement period an adjustment was recognised outside profit or loss.

In EUR thousand	Book value 31.12.2025	Book value 31.12.2024	Payment obligation at maturity
Payment due date			
30.06.2026	3,673	3,017	3,734
30.06.2027	2,715	3,155	2,851
Total	6,388	6,172	6,585

Cash and cash equivalents

The fair value of cash and cash equivalents approximates its carrying amount where the cash is repayable on demand or is short term in nature.

Defaults

The Group did not report any defaults on payments of principal or interest, or other breaches on loans and borrowings, in the financial years 2025 or 2024.

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk (interest risks and currency risks)

Risk management framework

The Group's Management Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and to analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Through its training and management standards and procedures, the Group aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

General financial market risks

The Group is exposed to various financial market risks as part of its business activity.

If these financial risks materialise, this could have a negative impact on the Group's net assets, financial position and results of operations. The Group's Management Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and to analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group has developed guidelines for risk management processes and for the use of financial instruments. These include a clear separation of tasks with respect to financial activities, invoicing, financial reporting and associated controlling.

The Group actively monitors these risks using a risk management system.

1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables due from customers. The carrying amount of financial assets represents the maximum credit exposure.

The Group considers the management of the commercial credit risk to be critical in order to achieve its goals for sustainable growth of the business and the customer base in harmony with its risk management guidelines. Suitable processes have been established for management and monitoring of the credit risk. These include ongoing monitoring of the expected risks and the level of default. Special attention is paid to customers that could exert a significant effect on the consolidated financial statements and for which, depending on the business area and the type of business relationship, appropriate credit management instruments are used to limit credit risk.

Specific valuation allowances for financial assets and contract assets recognised in profit or loss in the respective financial year (including losses on bad debts) were as follows:

In EUR thousand	2025	2024
Impairment losses and bad debts on trade and other receivables		
Impairment losses on trade and other receivables (including contract assets)	408	294
Impairment losses and bad debts on trade and other receivables	408	294

Trade and other receivables

No long-term payment terms exist that would give rise to a financing component. As a rule, payment claims are due within 14 to 60 days. For a large proportion of customers in Germany, payment by direct debit at the due date has been agreed.

The Group's exposure to credit risk is primarily influenced by the individual characteristics of each customer. However, the management also considers the factors that could influence the credit risk of its customer base, including the default risk associated with the country in which customers operate.

After taking account of the specific valuation allowances recognised, the remaining exposure to credit risk for trade receivables by region was as follows as at 31 December 2025:

	Financial year ended 31.12.	
In EUR thousand	2025	2024
Countries		
Germany	9,167	8,302
United Kingdom	912	919
Austria and rest of Europe	1,674	1,600
Total maximum credit risk exposure	11,753	10,820

The Group obtains a credit rating for new customers from a credit rating agency. If a customer has a low rating, then at the initial stage the Group obtains a security deposit from such customer. The Group does not track the customer rating further, as the receivables are largely collected by direct debit. In the event of returned direct debits due to insufficient funds in the customer's account, a risk exists that cash inflows from trade receivables may not be received.

No material contractual amounts are outstanding in connection with receivables that were written off in the reporting period and are still subject to enforcement and for which the payment of trade receivables is no longer being made.

Assessment of expected credit loss for customers as at 31 December 2025 and 2024

The Group calculates its expected credit losses (ECLs) using the simplified approach under IFRS 9. This approach requires the recognition of impairment amounting to the lifetime expected loss for all trade receivables. The Group uses an impairment matrix to compute the credit allowances for trade receivables, which comprise a large number of small balances. Under this

approach, the Group uses information on past rates of default on its trade receivables and adjusts the past rates of default to reflect:

- i. Information about current conditions
- ii Reasonable and reliable forecasts of future economic conditions, including the anticipated macroeconomic environment

None of the trade receivables and contract assets are purchased or originated on a credit-impaired basis.

Loss rates are calculated using a roll-rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated for various geographical segments based on the term structure of receivables.

Amounts are written off when the customer is declared insolvent. For all other receivables from customers, the expected credit loss is calculated based on the loss rates described above.

The following table shows the credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 December 2025.

Of the total receivables portfolio and contract assets, an amount of EUR 308 thousand is impaired. The impairment losses attributable to these receivables amount to EUR 251 thousand. The increase compared with the previous year is mainly attributable to a loss allowance of EUR 144 thousand

recognised for significantly past-due receivables due from a customer.

In the financial year 2025, trade receivables (net) of EUR 298 thousand were written off.

31.12.2025	Gross carrying amount (in EUR thousand)	Loss rate (in %)	Impairment (in EUR thousand)
Germany			
Not past due	7,007	2.09	146
1–90 days past due	396	16.51	65
More than 90 days past due*	645	27.93	95
Total trade receivables in Germany	8,048		307
United Kingdom			
Not past due	707	0.15	4
1–90 days past due	237	0.71	2
More than 90 days past due*	0	19.00	0
Total trade receivables in United Kingdom	944		6
Other countries			
Not past due	1,136	0.62	2
1–90 days past due	1,205	1.86	20
More than 90 days past due*	393	7.15	15
Total trade receivables in other countries	2,733		36
Grand total for receivables (not including impairment losses)	11,726		349
- thereof contract assets	34	0.15	–
Total for ECL-impairment losses	349		
Total for specific impairment losses	251		

* Receivables that are more than 90 days past due are considered to have impaired creditworthiness, as they carry a significantly higher risk of default. Receivables that are up to 90 days past due, on the other hand, are not considered to have significantly impaired creditworthiness.

The table on the right shows the credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 December 2024.

Of the total receivables portfolio and contract assets, an amount of EUR 84 thousand is impaired. The impairment losses attributable to these receivables amount to EUR 57 thousand.

In the financial year 2024, trade receivables (net) of EUR 192 thousand were written off.

31.12.2024	Gross carrying amount (in EUR thousand)	Loss rate (in %)	Impairment (in EUR thousand)
Germany			
Not past due	7,126	2.09	149
1–90 days past due	483	12.79	62
More than 90 days past due*	613	31.03	181
Total trade receivables in Germany	8,223		392
United Kingdom			
Not past due	754	0.29	5
1–90 days past due	211	1.42	3
More than 90 days past due*	23	17.55	4
Total trade receivables in United Kingdom	988		12
Other countries			
Not past due	1,229	0.93	10
1–90 days past due	268	3.45	9
More than 90 days past due*	183	9.49	17
Total trade receivables in other countries	1,680		37
Grand total for receivables (not including impairment losses)	10,890		440
- thereof contract assets	69	0.29	–
Total for ECL-impairment losses	440		
Total for specific impairment losses	57		

* Receivables that are more than 90 days past due are considered to have impaired creditworthiness, as they carry a significantly higher risk of default. Receivables that are up to 90 days past due, on the other hand, are not considered to have significantly impaired creditworthiness.

Impairment losses arising from ECLs (excluding specific valuation allowances) on trade receivables report the following changes in the financial year 2025:

In EUR thousand	Change in	
	2025	2024
Expected credit loss on trade receivables		
Opening balance as at 01.01.	440	356
Net remeasurement	–92	84
Amounts written off	–	–
Closing balance as at 31.12.	349	440

Concentrations of credit risk

Concentrations of risks are determined by the management based on amounts outstanding from individual customers as at the end of the period. As the Group operates throughout the whole of Europe and has a diversified customer structure, no significant concentrations of credit risk exist, with the exception of one customer, Telefónica Cybersecurity & Cloud Tech Deutschland GmbH. The net receivable due from this customer amounted to EUR 1,494 thousand as at 31 December 2025 (31 December 2024: EUR 1,448 thousand).

Cash and cash equivalents

The Group held cash and cash equivalents of EUR 12,896 thousand as at 31 December 2025 (31 December 2024: EUR 12,995 thousand). Cash and cash equivalents are held with banks and financial institutions rated A– on the basis of ratings from Moody's, S&P Global and GBB.

Impairment on cash has been measured on a twelve-month expected loss basis and reflects the short terms of the risk exposures. NFON considers that its cash has low credit risk based on the external credit ratings of the counterparties.

2. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's liquidity management is designed to ensure sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions. It must be ensured that no unacceptable losses are incurred and that the Group's reputation is not damaged.

The Group aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade and other payables.

In the financial year 2024, NFON AG raised a secured long-term bank loan with a carrying amount of EUR 4,667 thousand as of 31 December 2025 (31 December 2024: EUR 5,000 thousand) to finance the acquisition of botario GmbH from Bank für Tirol und Vorarlberg Aktiengesellschaft. The current portion amounts to EUR 1,000 thousand as of 31 December 2025 (31 December 2024: EUR 334 thousand). In accordance with the contractual terms, the term of this bank loan ends on 31 August 2030. The interest rate on the loan was agreed with a fixed interest rate of 6.62% until 30 September 2027. On 1 October 2027, the interest rate will be determined on the basis of money and capital market rates applicable at that time. The loan agreement contains covenants according to which in 2025, 2026 and 2027, respectively, a minimum EBITDA margin and minimum revenue must be achieved and/or complied with and which must be submitted to the bank together with the separate annual/consolidated financial statements no

later than six months after the end of the reporting period. In the event of a breach, the bank is entitled to terminate the lending arrangement subject to a notice period of four weeks.

The covenants were modified by an amendment agreement dated 29 December 2025. The minimum revenue targets for the years 2025, 2026 and 2027 were defined based on the latest forecast for the financial year 2025 and in line with the planning approved in December 2025 for the financial years 2026 and 2027. The minimum EBITDA margin was defined as a percentage of these minimum revenue targets. The Group expects to fulfil the annual covenants within twelve months of the reporting date. The shares in botario GmbH were pledged to the bank as collateral for the loan. The net assets of botario GmbH amounted to EUR 18,099 thousand as at 31 December 2025.

On 19 August 2024, an additional agreement was concluded with Bank für Tirol und Vorarlberg (BTV) in relation to the money market credit line agreement dated 22 December 2021, which provides for a reduction of the existing credit line from EUR 5,000 thousand to EUR 2,000 thousand and a term until 30 November 2028. The money market credit line agreement is based on matched-term EURIBOR plus a margin (related to the time of utilisation). A commitment fee of 1.0% must be paid on the amount of the loan not utilised. In accordance with the loan agreement, certain covenants of NFON in 2025, 2026 and 2027 must be complied with. These are a minimum EBITDA margin and minimum revenue which must be achieved or complied with and which must be submitted to the bank together with the separate annual/consolidated financial statements no later than six months after the end of the reporting period. In the event of a breach, the bank is entitled to terminate the lending arrangement subject to a notice period of four weeks. The Group expects to fulfil the annual covenants within twelve months of the reporting date. As of the 31 December 2025 reporting date, the money market line of credit was utilised in the amount of EUR 1,000 thousand.

The following table presents the contractual interest and payments for the Group's financial liabilities. The terms are based on the contractually agreed interest rates for the financial instruments. For all the financial liabilities listed below, contractual maturities are considered on an annual basis:

In EUR thousand	Carrying amount	Contractual cash flows	1 year or less	1–5 years	5 years and more
Financial liabilities					
Trade payables	4,902	4,902	4,902	–	–
Lease liabilities	8,752	9,826	2,030	5,652	2,143
Loan*	5,667	6,376	1,273	5,103	–
Contingent liability (earn-out)	6,388	6,585	3,734	2,851	–
Other	1	1	1	–	–
Total financial liabilities	25,709	27,689	11,940	13,606	2,143

* Contractual cash flows of secured bank loan of carrying amount EUR 4,667 thousand contains interest payments calculated under the assumption of a constant interest rate of 6.62% during the duration of this bank loan till 31 August 2030.

31.12.2024

In EUR thousand	Carrying amount	Contractual cash flows	1 year or less	1–5 years	5 years and more
Financial liabilities					
Trade payables	5,174	5,174	5,174	–	–
Lease liabilities	8,816	10,137	1,950	5,078	3,109
Loan*	6,000	7,035	1,660	4,694	681
Contingent liability (earn-out)	8,015	8,438	1,872	6,566	–
Other	8	8	8	–	–
Total financial liabilities	28,013	30,792	10,664	16,338	3,790

* Contractual cash flows of secured bank loan of carrying amount EUR 5,000 thousand contains interest payments calculated under the assumption of a constant interest rate of 6.62% during the duration of this bank loan till 31 August 2030.

3. Market risk

Market risk is the risk that changes in market prices, such as exchange rates or interest rates, will affect the value of financial instruments or the Group's earnings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenue, purchases, receivables, loans and other financial instruments are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are the euro, the British pound (GBP) and Polish zloty (PLN). The currency in which these transactions are primarily denominated is the euro.

Exposure to currency risk

The summary quantitative data on the Group's exposure to currency risk in GBP as reported to the Group's management is as follows:

	Financial year ended 31.12.	
In EUR thousand	2025	2024
Receivables subject to currency risks	5,109	5,817
Net exposure	5,109	5,817

The following rates have been applied:

	Spot rates		Average rates	
	As at 31.12.2025	As at 31.12.2024	2025	2024
GBP	1.146	1.206	1.167	1.183

SENSITIVITY ANALYSIS

A 10% depreciation/appreciation of the pound sterling would have increased/reduced equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the end of the reporting period and was applied to risk exposures existing at that date.

This analysis assumes that all other variables other than currency exchange rate remain constant.

In EUR thousand	Profit or loss		Equity net of tax	
	Apprecia- tion (10% decrease)	Deprecia- tion (10% increase)	Apprecia- tion (10% decrease)	Deprecia- tion (10% increase)
Sensitivity analysis for net exposure				
31.12.2025	-511	511	-520	520
31.12.2024	-582	582	-571	571

The summarised quantitative data on the Group's exposure to currency risk in PLN is as follows:

in EUR thousand	Financial year ended 31.12.	
	2025	2024
Liabilities subject to currency risks	842	912
Net exposure	842	912

The following rates have been applied:

	Spot rates		Average rates	
	As at 31.12.2025	As at 31.12.2024	2025	2024
PLN	0.237	0.234	0.236	0.232

SENSITIVITY ANALYSIS

A 10% depreciation/appreciation of the Polish zloty would have increased/reduced equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the end of the reporting period and was applied to risk exposures existing at that date.

This analysis assumes that all other variables other than currency exchange rate remain constant.

In EUR thousand	Profit or loss		Equity net of tax	
	Apprecia- tion (10% decrease)	Deprecia- tion (10% increase)	Apprecia- tion (10% decrease)	Deprecia- tion (10% increase)
Sensitivity analysis for net exposure				
31.12.2025	84	-84	84	-84
31.12.2024	91	-91	91	-91

The net currency exposure results from EUR receivables (liabilities) of NFON UK and NFON Polska where the functional currencies are GBP and PLN, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument could fluctuate due to changes in market interest rates or that in the case of floating-rate liabilities, the interest rates and, consequently, the cash flows could change.

The Group was not exposed to material interest rate risk in the reporting year.

Exposure to interest rate risk

With the exception of the money market loan utilised in the amount of EUR 1,000 thousand, all financial liabilities recognised as at the end of the reporting period (including as at 31 December 2024) have a fixed interest rate and are not subject to any interest rate risk. The bank loan taken out for financing purposes has a fixed interest rate until 30 September 2027 and is consequently not subject to any interest rate risk until this date.

14. Equity

Changes in the reporting year

Employee stock options increased capital reserves by EUR 217 thousand (previous year: EUR 144 thousand). The currency translation reserve decreased by EUR –405 thousand (previous year: EUR 331 thousand). The consolidated profit for the year of EUR 2,249 thousand (previous year: EUR 350 thousand) had a positive effect on the change in equity.

Issued capital and ordinary shares

As at 31 December 2025, NFON AG had issued 16,561,124 (31 December 2024: 16,561,124) ordinary bearer shares (no-par shares) with a notional interest in the share capital of EUR 1.00. The issued capital amounted to EUR 16,561 thousand as at 31 December 2025 (31 December 2024: EUR 16,561 thousand).

Each ordinary share entitles the bearer to one vote at the Annual General Meeting and to receive a dividend in the event of a distribution. Ordinary shares are not subject to any restrictions.

All issued and outstanding shares are fully paid in as at 31 December 2025 and 2024.

Capital reserves

The capital reserves contain the premium from issued shares and the transaction costs reimbursed by the then shareholders in connection with the IPO. The capital reserves were reduced by post-tax transaction costs recognised in connection with the placement of shares in conjunction with the IPO and capital increases. Furthermore, capital reserves include cumulative expenses for share-based payment transactions for certain members of the Management Board recognised as staff costs in previous periods, expenses from the employee stock option programmes recognised as staff costs in both the reporting period and the previous year, plus the equity component of the warrant bond issued in 2019.

The change in consolidated equity is shown in the statement of changes in equity.

Authorised capital

In accordance with the resolution of the Annual General Meeting on 24 June 2021, the Management Board is authorised until 23 June 2026, with the approval of the Supervisory Board, to increase the share capital of NFON AG on one or more occasions in one or more tranches by up to EUR 4,140,281 by issuing no-par bearer shares with profit participation rights from the start of the financial year in which they are issued in exchange for cash capital contributions or non-cash capital contributions (Authorised Capital 2021). As far as the law allows, deviating from this and from section 60(2) of the German Stock Corporation Act (AktG), the Management Board, with the approval of the Supervisory Board, can stipulate that the new shares can participate in profits from the start of a financial year that has already elapsed for which there had not yet been a resolution by the Annual General Meeting concerning the appropriation of net profit at the time that they were issued. Shareholders have pre-emption rights, as a matter of principle. The new shares can also be acquired by one or more banks with the obligation to offer them to shareholders for subscription (indirect pre-emption rights). The Management Board is author-

ised, with the approval of the Supervisory Board, to decide the content of share rights and the terms for issuing shares, and to determine the details of the capital increase and, with the approval of the Supervisory Board, to disapply shareholder pre-emption rights in the following cases:

- to avoid fractional shares;
- if shares are issued in return for non-cash capital contributions to acquire companies, investments in companies, parts of companies or other assets, including rights and receivables, and
- the new shares for which shareholders' pre-emption rights have been disappplied do not exceed 20% of the share capital as at 24 June 2021, at the time this authorisation becomes effective or at the time it is exercised;
- to the extent necessary, to grant pre-emption rights to new shares to bearers and creditors of convertible bonds or bonds with warrants that are, or have been, issued by the company or subordinate Group companies in the amount they would be owed after exercising their option and conversion rights or fulfilling the conversion obligation; and
- if the capital is increased in return for cash capital contributions, the issue price of the new shares is not significantly lower than the stock market price at the time the issue price is finalised, and the new shares for which shareholders' pre-emption rights have been disappplied do not exceed 10% of the share capital as at 24 June 2021, at the time this authorisation becomes effective or at the time it is exercised.

Contingent capital

On the basis of the authorisation of the Annual General Meeting on 9 April 2018, in order to secure the pre-emption rights from stock options (pre-emption rights as referred to by section 192 (2) no. 3 AktG) issued between 9 April 2018 and 8 April 2023, the share capital of NFON AG was contingently increased by up to EUR 964,015 against the issue of up to 964,015 new bearer shares (Contingent Capital II). Contingent

Capital II was reduced to EUR 708,229 by way of resolution of the Annual General Meeting on 24 June 2021.

The Annual General Meeting on 24 June 2021 authorised the Supervisory Board and the Management Board (with the approval of the Supervisory Board) until the end of 23 June 2026, albeit not before Contingent Capital 2021 becomes effective on being entered in the commercial register (which occurred on 28 June 2021), to grant up to 947,883 stock options with pre-emption rights to shares in the company with a term of up to ten years in one or more tranches to be issued annually (2021 stock option plan, Contingent Capital 2021/1). The stock options are exclusively intended for members of the Management Board of the company and employees of the company, as well as the members of management and employees of affiliated companies as referred to by sections 15 and 17 AktG. Contingent Capital 2021/1 was reduced to EUR 375,000 by way of resolution of the Annual General Meeting on 30 June 2023.

The Annual General Meeting on 30 June 2023 authorised the Supervisory Board and the Management Board (with the approval of the Supervisory Board) until the end of 29 June 2028, albeit not before Contingent Capital 2023 becomes effective on being entered in the commercial register (which occurred on 21 June 2023), to grant up to 572,883 stock options with pre-emption rights to shares in the company with a term of up to seven years in one or more tranches to be issued annually (2023 stock option plan, Contingent Capital 2023/1). The stock options are exclusively intended for members of the Management Board of the company and employees of the company, as well as the members of management and employees of affiliated companies as referred to by sections 15 and 17 AktG.

Contingent Capital II amounts to EUR 708,229 as at 31 December 2025 (31 December 2024: EUR 708,229). Contingent Capital 2021/1 amounts to EUR 375,000 as at the end of the reporting period (31 December 2024: EUR 375,000). The new Contingent Capital 2023/1 created in the financial year 2023 amounts to EUR 572,883 as at the end of the reporting period.

Loss carryforward

The loss carryforward contains losses incurred in previous years.

Currency translation reserve

Other comprehensive income serves to recognise differences from the translation of the financial statements of foreign Group companies into the Group currency.

15. Capital management

The Group manages its capital with the objective of ensuring that all Group companies are able to operate on a going concern basis while maximising returns to shareholders through the optimisation of the debt-to-equity ratio. As part of its capital management, NFON AG complies with statutory capital maintenance requirements. The Group's overall strategy remains unchanged compared with 2024.

The key target for equity is to maintain an equity ratio of more than 50% of total assets. As at 31 December 2025, the Group's equity ratio amounted to 57.0% (adjusted previous year: 53.4%).

The Management Board continues to aim for a balanced approach between (adjusted) EBITDA growth, which may, where appropriate, be supported by the use of debt financing, and maintaining a stable equity ratio. The Group's capital structure consists of net debt (defined as the borrowings disclosed in note 13 less cash and cash equivalents) and the Group's equity. Equity comprises issued share capital, the capital reserves and other reserves as well as revenue reserves.

The Group is not subject to any externally imposed capital requirements.

No dividend is distributed at present.

16. Share-based payments

In the reporting year and in previous years, NFON issued stock options to the members of the Management Board of NFON AG (group 1), managing directors of affiliated companies (group 2) as well as to selected employees of NFON AG (group 3) and selected employees of affiliated companies (group 4) (2018 stock option plan, 2021 stock option plan and 2023 stock option plan).

The group of beneficiaries is regulated individually in each case. Following the resolution by the Annual General Meeting on 9 April 2018 (2018 stock option plan), 31% – 298,845 pre-emption rights – were issued to group 1, 11% – 106,042 pre-emption rights in total – to group 2, 42% – 404,886 pre-emption rights in total – to group 3 and 16% – 154,242 pre-emption rights in total – to group 4.

The composition of the 2021 stock option plan (as approved by the Annual General Meeting on 24 June 2021) is as follows: group 1 beneficiaries receive a combined maximum of 33%, in other words, 312,801 stock options and the resultant pre-emption rights. Group 2 beneficiaries receive a combined maximum of 10%, in other words, 94,788 stock options and the resultant pre-emption rights. Group 3 beneficiaries receive a combined maximum of 41%, in other words, 388,632 stock options and the resultant pre-emption rights. Group 4 beneficiaries each receive a combined maximum of 16%, in other words, 151,661 stock options and the resultant pre-emption rights.

The composition of the 2023 stock option plan (as approved by the Annual General Meeting on 30 June 2023) is as follows: group 1 beneficiaries receive a combined maximum of 250,000 stock options and the resultant pre-emption rights. Group 2 beneficiaries receive a combined maximum, 100,000 stock options and the resultant pre-emption rights. Group 3 beneficiaries receive a combined maximum, 200,000 stock options and the resultant pre-emption rights. Group 4 bene-

ficiaries receive a combined maximum, 22,883 stock options and the resultant pre-emption rights.

The exact group of beneficiaries and the scope of the respective offer are defined by the Management Board with the approval of the Supervisory Board or, if the Management Board is affected, by the Supervisory Board.

All pre-emption rights from the above programmes have a vesting period of four years. The total term of the 2018 stock option plan and the 2021 stock option plan is ten years and that of the 2023 stock option plan is seven years. The stock options under the 2018 stock option plan can only be exercised in the event of a 20% increase in revenue as reported in the consolidated financial statements for the financial year in which the options are allocated, compared to the revenue as reported in the consolidated financial statements for the previous financial year prior to allocation. A cap pursuant to section 4.2.3 of the German Corporate Governance Code is also intended for members of the Management Board. The exercise restriction over the four-year vesting period of the 2021 stock option plan does not apply outright, rather it only applies to recurring and organic revenue growth. An increase in recurring revenue of at least 15% is required for the first year and at least 20% in each of the following three years (in each case year-on-year). The stock options granted under the 2021 stock option plan were forfeited in 2023 due to the assessment that the revenue targets would likely not be met.

For stock options granted in 2022 or later, the relevant growth rate for the year of grant is 20%. Stock options under the 2023 stock option plan can only be exercised if the relevant reference price exceeds the exercise price by more than 60% if exercised after at least 48 months from the allocation date, by more than 75% if exercised after at least 60 months from the allocation date and by more than 90% if exercised after at least 72 months from the allocation date, irrespective of whether all or only some of the stock options can actually be exercised at the relevant time, taking into consideration the

blocking periods, and the EBIT according to the IFRS consolidated financial statements on the last reporting date prior to the exercising of stock options is positive and amounts to at least 110% of the positive EBIT according to the IFRS consolidated financial statements on the penultimate reporting date prior to the exercising of stock options. The "relevant reference price" in this case is the unweighted arithmetic mean of the closing prices for company shares of the same class in Xetra trading on the Frankfurt Stock Exchange during the last ten trading days prior to the day on which the pre-emptive rights arising from the stock options are exercised.

The stock options are non-transferable. This does not affect the stock options in the event of the death of the beneficiary. If the beneficiary leaves employment at the company or an affiliated company due to age without being terminated, all rights from the options remain unaffected. In the case of the 2018 stock option plan, disability, incapacity and early retirement are considered equivalent to departure due to age. For Management Board members, the expiry and non-renewal of their appointment is considered equivalent to departure due to age. If an employment contract between the beneficiary and the company or a company of the NFON Group has ended as a result of termination by the beneficiary or ordinary termination by the company, the beneficiary can exercise their options exercisable at the termination date immediately within 60 calendar days of the end of the employment contract; this period is extended by any days on which the options cannot be exercised due to the lock-up period. Any options that have not been exercised by then expire without replacement. Non-exercisable options expire without replacement at the termination date. In the event of a mutually agreed cancellation of the employment contract between the beneficiary and the company or a company of the NFON Group, the Management Board can decide with the approval of the Supervisory Board – or, if group 1 beneficiaries are concerned, the Supervisory Board can decide – whether and to what extent options will remain in place; it can also be determined that options that are not yet exercisable at the termination date will remain

in place. In the event of delisting, the beneficiary has the right under the statutory provisions to demand that the company or its legal successor pays out the option value for each option.

In accordance with the option conditions, each pre-emption right from stock options entitles the holder to subscribe to one no-par-value share in the company. The option conditions also govern the term, the relevant exercise price (subscription price), vesting periods and lock-up periods.

The fair value of the options is calculated based on a binomial model. The weighted average fair value of the options granted in the reporting year was EUR 7.29 at the measurement date (2023 stock option plan). The following calculation parameters were used for the new options issued in the reporting year:

	2025
Weighted average exercise price*	EUR 7.29
Weighted expected volatility	40.0%
Term	7 years
Weighted risk-free interest rate	2.2765%

* Corresponds to the weighted average arithmetic mean of the closing prices of the company's shares in Xetra trading on the Frankfurt Stock Exchange on the last ten trading days before the stock options were issued.

Only options from the 2025 stock option plan were issued in 2023.

Volatility refers to fluctuations in the share price compared to the average price for the period. Expected volatility was calculated based on the past share price performance in each case (historical volatility).

For the eligible members of the Management Board, an expected turnover rate of 0% was assumed due to the special provisions applicable to the Management Board. The expected average turnover rate for other beneficiary employees in the 2023 stock option plan is 46%. The options from the 2021 stock option plan expired in previous years. The vesting period for the options from the 2018 stock option plan expired as at the end of the reporting period.

The risk-free interest rate was calculated based on the interest on risk-free investments with a corresponding term.

When calculating the fair value of the options, it was assumed that no dividend would be distributed.

The change in the number of outstanding options is shown in the tables below:

	Number of options		Weighted average exercise price in EUR	
	2025	2024	2025	2024
Options granted as at 31 Dec.	1,598,729	1,512,729	10.56	10.75
Thereof new in the reporting year	86,000	109,000	7.29	6.21
Options exercised	–	–	–	–
Options forfeited	405,500	370,500	8.77	8.81
Thereof new in the reporting year	35,000	127,000	8.35	8.63
Options expired	409,000	409,000	17.30	17.30
Thereof new in the reporting year	–	–	–	–
Outstanding options as at 31 Dec.	784,229	733,229	7.97	8.07
Thereof exercisable options	372,229	398,229	8.92	8.91

The average remaining contractual term of the options outstanding as at the end of the reporting period is three years as at 31 December 2025 (31 December 2024: five years). The range of exercise prices of the options outstanding as at 31 December 2025 is between EUR 7.29 and EUR 8.78 (31 December 2024: between EUR 6.20 and EUR 11.04).

Expenses recognised in connection with share-based payments amounted to EUR 217 thousand in the reporting year. This expense amounted to EUR 144 thousand in the previous year.

17. Provisions

In EUR thousand	Carrying amount as at 01.01.2025	Additions	Utilisation	Reversal	Carrying amount as at 31.12.2025
Total long-term accrual	72	0	12	0	60
Short-term provisions					
Personnel-related provisions	175	231	134	31	241
Other provisions	2,606	2,112	2,291	83	2,342
Total short-term accruals	2,781	2,343	2,425	114	2,584
Total accruals	2,852	2,343	2,437	114	2,644

In EUR thousand	Carrying amount as at 01.01.2024	Additions	Utilisation	Reversal	Carrying amount as at 31.12.2024
Total long-term accrual	84	0	12	0	72
Short-term provisions					
Personnel-related provisions	838	163	819	7	175
Other provisions	2,196	2,570	2,014	147	2,606
Total short-term accruals	3,034	2,733	2,833	154	2,781
Total accruals	3,118	2,733	2,845	154	2,852

Non-current provisions include provisions for the fulfilment of long-term retention obligations as well as long-term provisions for onerous contracts arising from the sublease of part of a building.

Other provisions mainly comprise provisions for sales commissions of EUR 1,152 thousand (31 December 2024: EUR 862 thousand) as well as provisions for the audit of the separate annual and consolidated financial statements of EUR 415 thousand (31 December 2024: EUR 645 thousand). The increase in sales commissions is primarily attributable to a reclassification of the previous year's amount. In the financial year 2024, sales commissions of EUR 221 thousand were included in trade payables. In the reporting year, these were presented uniformly across the Group within provisions.

Provisions for personnel mainly include severance payments, a levy for severely disabled persons and contributions to occupational health and safety agencies as at the end of the reporting period.

For current provisions, the cash outflow is expected in the following year. All provisions are based on the best possible estimate of the amount as at the end of the reporting period.

18. Financial liabilities

Financial liabilities were as follows as at the end of the reporting period:

	Financial year ended 31.12.	
In EUR thousand	2025	2024
Current financial liabilities		
Lease liabilities	1,762	1,675
Loan	2,000	1,333
Contingent liability (earn-out)	3,673	1,843
Other	1	8
Subtotal current financial liabilities	7,435	4,859
Non-current financial liabilities		
Lease liabilities	6,990	7,141
Loan	3,667	4,667
Contingent liability (earn-out)	2,715	6,172
Subtotal non-current financial liabilities	13,372	17,979
Total financial liabilities	20,807	22,838

Credit facilities

With the following exceptions, the Group has no outstanding loans in reference to revolving credit facilities.

An additional agreement was concluded with Bank für Tirol und Vorarlberg in relation to the money market credit line agreement dated 22 December 2021, which provides for a reduction of the existing credit line from EUR 5,000 thousand to EUR 2,000 thousand and a term until 30 November 2028. The interest rate is based on matched-term EURIBOR plus a margin (related to the time of utilisation) of 3.00%. A commitment fee of 1.0% must be paid on the amount of the loan not utilised. NFON must comply with certain financial covenants according to the loan agreement. Please see note 13 – Financial instruments, section 2 Liquidity risk.

Cash and non-cash changes in financial liabilities

In EUR thousand	01.01.2025	Recognised in cash flows from financing activities	Non-cash change				31.12.2025	Recognised in cash flow from operating activities
			Additions / disposals	Change due to ex-change rate fluctuations	Change in fair value	Other		Interest payments
Loan	6,000	–333	–	–	–	–	5,667	–393
Lease liabilities	8,816	–2,150	1,740	–16	–	363	8,752	–
Financial liabilities	14,816	–2,483	1,740	–16	–	363	14,419	–393

Cash and non-cash changes in financial liabilities

In EUR thousand	01.01.2024	Recognised in cash flows from financing activities	Non-cash change				31.12.2024	Recognised in cash flow from operating activities
			Additions / disposals	Change due to ex-change rate fluctuations	Change in fair value	Other		Interest payments
Loan	–	6,000	–	–	–	–	6,000	–120
Lease liabilities	9,901	–1,838	370	9	–	375	8,816	–
Financial liabilities	9,901	4,162	370	9	–	375	14,815	–120

Lease liabilities

Please see the information on leases in note 19 – Leases.

19. Leases

The Group rents office space, vehicles and other operating and office equipment and bicycles. The term of the lease agreements is typically between three and ten years. If these are short-term leases, the Group does not recognise right-of-use assets or lease liabilities. The associated expenses are recognised in cash flow from operating activities. With regard to the lease liabilities expensed as financial liabilities, the Group recognises the corresponding payments in cash flow from financing activities in the consolidated statement of cash flows. For some contracts, the Group has decided to agree a lease extension option to give it a range of operational options on a short-term basis.

For further details, please see note 6 – Right-of-use assets from leases.

Lease liabilities

The non-current lease liabilities shown in the following table have remaining durations of more than one year, the current lease liabilities have remaining durations of less than one year.

In EUR thousand	Non-current lease liabilities as at 31.12.		Short-term lease liabilities as at 31.12.		Total as at 31.12.	
	2025	2024	2025	2024	2025	2024
Land and buildings	6,662	6,897	1,378	1,347	8,040	8,244
Vehicles	308	216	357	306	665	522
Operating and office equipment and bicycles	20	29	26	21	46	50
Total	6,990	7,141	1,762	1,675	8,752	8,816

Amounts recognised in the income statement:

In EUR thousand	2025	2024
Leases in accordance with IFRS 16		
I. Amounts recognised in the income statement		
Income from subleasing right-of-use assets, recognised in other operating income	74	70
Interest expenses for lease liabilities (recognised in finance result)	363	375
Expenses for short-term leases	112	343
Expenses related to low-value leases	47	50
II. Amounts recognised in the cash flow statement		
Total cash outflows in connection with leases	2,150	1,838

20. Revenue

A. Nature of goods or services

The principal activities from which the Group generates its revenue are described below:

The Group principally generates revenue from telephone services. Most of the contracts entered into by the Group pertain to telephone services with or without hardware sales and other services.

Products and services

Recurring revenue

Nature and timing of satisfaction of obligation

Recurring services are typically settled by monthly payments of a fixed licence fee per seat or platform service, as well as fixed or volume-dependent usage fees for voice minutes and SIP trunk services.

Month-to-month contracts:

Telephone services are performed over time, in other words, in the month of service for which the customer has concluded an agreement.

Twelve-month contracts:

Recurring revenue may also arise from the provision of services, in particular in connection with licensed AI platform solutions. Revenue from service contracts is recognised in line with the performance of the services, in other words, as a matter of principle on a pro rata basis over the contract term (typically twelve months). Revenue from contracts billed on a time-and-materials basis is recognised as the related hours are performed, at the contractually agreed hourly rates.

Based on the services provided, NFON invoices its customers on either a monthly or a twelve-month basis in advance. For the majority of customers, direct debit is used to collect monies due. If direct debit is agreed, cash is received with the direct debit run following the month the service was provided. Revenue is recognised when the respective performance obligations are fulfilled, in other words, in the month when the telephone service is provided to the customer, or the platform services or other services are rendered.

Long-term contracts:

Monthly telephone services are performed over time, in other words, over the term of the minimum contract duration (such as 24 months).

Based on the services provided, NFON invoices its customers on a monthly basis. For the majority of customers, direct debit is used to collect monies due. If direct debit is agreed, cash is received with the direct debit run following the month the service was provided. Revenue is recognised over time when the respective performance obligations are fulfilled. The amount of revenue is based on the allocation of the transaction price to the performance obligations on the basis of the relative standalone selling prices. The total transaction price determined at the inception of a contract is allocated to the performance obligations known from the outset (such as a monthly flat rate for airtime). Revenue for such performance obligations is recognised over the life of the contract on a straight-line basis which best reflects the revenue for each month of the contract. For services which vary over the contract term, revenue is recognised when the service is provided, such as in the month when airtime on a per-minute basis is used by the customer.

Products and services

Non-recurring revenue

Nature and timing of satisfaction of obligation

Hardware:

Revenue is recognised at the point in time control transfers to the customer.

Activation of the port:

Activating the port results in an extension of the Group's network and does not transfer goods or services to the customer. As a consequence, activation of the port does not constitute a separate performance obligation.

Porting of existing numbers/set-up of new geographical phone numbers:

The customer cannot choose to not purchase this porting activity without significantly affecting the monthly telephone services. As a consequence, it is not considered a separate performance obligation.

Consulting services, training services:

Revenue is recognised at the point in time when the training is performed, or over the period the consulting service is rendered. However, such training and services are minimal relative to other services and products.

Software development:

Revenue is recognised as soon as the development services are performed. Where a contract for customised software development gives rise to a performance obligation to deliver a work product, revenue is recognised based on the stage of completion (percentage-of-completion method). The stage of completion is generally determined using the cost-to-cost method, in other words, by reference to the proportion of contract costs incurred to date relative to the estimated total contract costs at the reporting date.

Based on the products or services provided, NFON invoices its customers on a monthly basis. The customer pays through direct debit or wire transfer in the month following the month when the performance obligation is fulfilled. Revenue on hardware is recognised when the hardware is delivered and all risks and rewards of ownership are transferred to the customer. Revenue for other non-recurring services is recognised when the services are rendered, such as in the month when the training is provided to the customer. Where a service is not considered a performance obligation, the consideration received is allocated to the performance obligations of the contract and recognised as revenue accordingly.

For all non-recurring revenue, the respective cash is received in the middle of the month following the respective transaction.

Customer contracts that can comprise both recurring and non-recurring services or products mostly do not have a minimum contract duration (month-to-month contracts). For such contracts, the management assumes that the contract term is at least one month, as the customer has the right to cancel on a monthly basis. For this reason, the actual contract duration cannot be estimated reliably at the inception of the contract.

For long-term contracts, in other words, contracts with minimum contract duration, at the contract inception NFON determines the total consideration payable by the customer over the life of the contract based on the fees that can be estimated reliably. The Group also determines the performance obligation of each service/product, calculates the relative standalone selling price for each performance obligation based on the list prices and allocates the relative standalone selling prices to the performance obligations over the term of the contract.

B. Composition of revenue

The following table shows segment revenue analysed by recurring and non-recurring revenue from products/services. As in the previous year, all revenue in the reporting year derived from contracts with customers.

In EUR thousand	2025	2024
Product/service		
Recurring revenue		
NFON AG	61,668	62,220
botario GmbH	2,189	538
NFON GmbH	8,713	8,161
NFON UK Ltd.	7,511	7,755
NFON Iberia SL	464	462
NFON Italia S.r.l.	1,316	1,175
NFON France SAS	324	360
NFON Polska Sp. z o.o.	428	463
Total recurring revenue	82,612	81,133
Non-recurring revenue		
NFON AG	2,980	2,467
botario GmbH	2,431	1,411
NFON GmbH	1,239	1,412
NFON UK Ltd.	395	744
NFON Iberia SL	9	8
NFON Italia S.r.l.	138	118
NFON France SAS	3	20
NFON Polska Sp. z o.o.	12	23
Total non-recurring revenue	7,208	6,202
Consolidation effects	-755	0
Total revenue	89,065	87,336

C. Contract balances

The following table provides information on receivables, contract assets and contract liabilities from contracts with customers.

In EUR thousand	Financial year ended 31.12.	
	2025	2024
Trade receivables	11,153	10,317
Contract assets	34	69
Contract liabilities	657	328

The contract assets, which are reported under other assets in the statement of financial position, mainly relate to the Group's rights to the consideration for work completed but not yet billed in the reporting period. When the respective customers are invoiced, the relevant amounts are reclassified to trade receivables. No impairment losses in connection with contract assets were recognised in the reporting periods shown.

The contract liabilities from long-term contracts, which are presented under other liabilities in the statement of financial position, mainly relate to the advance consideration received from customers for services at the inception of the contract (such as activation fees and porting of numbers) which do not classify as a separate performance obligation and are recognised as part of the contractual performance obligations over time.

Given the rolling nature of the long-term contracts and on the basis of materiality aspects, all contract assets and contract liabilities are classified as current assets and liabilities, respectively. NFON receives upfront payments (such as for activation of the port and for porting of existing numbers/setup of new geographical numbers) which are not allocated to separate performance obligations. Long-term contracts do not include a significant financing component.

In EUR thousand	2025				2026	
	01.01.	Reversal previous year	Addition	Reversal current year	31.12.	Reversal
Contract assets	69	53	21	3	34	33
Contract liabilities	546	499	1,972	1,364	657	655

In EUR thousand	2024				2025	
	01.01.	Reversal previous year	Addition	Reversal current year	31.12.	Reversal
Contract assets	56	34	62	15	69	36
Contract liabilities	352	263	563	106	546	481

D. Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future in connection with the performance obligations not (or only partially) fulfilled in the reporting period. This mainly relates to future revenue from fixed-price components under long-term contracts (i.e. bundles).

In EUR thousand	Financial year ended 31.12.	Recognition		
	2025	2026	2027	2028 and subsequent years
Unsatisfied allocated transaction price to performance obligations	3,523	2,440	946	137
Share	100%	69%	27%	4%

E. Costs to obtain a contract

In the NFON Group, nearly all customer contracts can be terminated a month-to-month basis. For these contracts, the NFON Group applies the practical expedient in IFRS 15, and expenses the incremental costs of obtaining a contract when incurred. Commissions under such contracts amounted to EUR 11,944 thousand in 2025 (previous year: EUR 11,781 thousand) and are recognised in other operating expenses in the consolidated statement of income.

For long-term contracts, these costs are amortised on a straight-line basis over the non-cancellable contract term, as this reflects the period over which NFON transfers products and services to the customers. Whenever the contract term is more than twelve months, the Group capitalises commissions as contract costs. These amounted to EUR 2 thousand as at 31 December 2025 (31 December 2024: EUR 1 thousand).

21. Other operating income

In EUR thousand	2025	2024
Other operating income		
Currency gains	298	7
Insurance compensations	103	88
Income from subleasing	74	70
Miscellaneous other income	188	173
Total other operating income	663	338

Miscellaneous other income in the financial year 2025 includes income of EUR 148 thousand (previous year: EUR 50 thousand) from the derecognition of other liabilities that had become time-barred in previous years.

22. Staff costs and employees

Staff costs are composed as follows:

In EUR thousand	2025	2024
Wages and salaries	30,179	27,446
Expenses for bonus and vacation accruals	2,335	3,473
Social security contributions	6,094	5,822
Share-based payment plans*	217	144
Expenses for pensions and other benefits	128	134
Other staff costs	224	220
Capitalised personnel expenses	-2,647	-2,312
Total	36,530	34,927

* Equity-settled.

Expenses for pensions and other benefits mainly relate to the company's payments to defined contribution plans (contributions to state plans), which are expensed as the related service is rendered. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

In 2025, the average number of employees was 411 and the average number of managers was 14 (adjusted previous year: 397 and 13).

23. Other operating expenses

In EUR thousand	2025	2024
Other operating expenses		
Sales commission	12,142	11,981
Marketing expenses	3,955	3,857
Consulting expenses	2,377	2,829
General administration	1,090	1,665
IT expenses	3,951	3,081
Expenses for services	2,613	2,248
Travel expenses	1,162	1,231
Rental costs	618	971
Support costs	524	474
Selling costs	38	49
Currency translation expenses	23	268
Total other operating expenses	28,493	28,654

As sales commissions represent a percentage share of revenue generated through distribution partners or dealers, the increase in the financial year 2025 was mainly due to the increase in total revenue overall as well as to the higher share of revenue generated through partner channels.

The slight increase in marketing expenses is primarily attributable to increased marketing activities in connection with the new AI functions.

In the previous year, consulting expenses of EUR 645 thousand primarily included one-time expenses in connection with the acquisition of botario GmbH.

IT expenses increased as a result of the further development of the business support system (BSS).

The rental costs primarily include incidental rental costs of EUR 505 thousand (previous year: EUR 628 thousand).

Service expenses mainly include costs for freelancers in the R&D area.

24. Income taxes

A. Income tax receivables

Income tax receivables include EUR 245 thousand relating to receivables from creditable withholding tax on dividends distributed to NFON AG in 2025.

B. Amounts recognised in profit and loss

Current taxes on the profit or loss for the year are recognised as an expense in the consolidated statement of income with any changes in provisions for deferred taxes.

Tax on the annual result

In EUR thousand	Financial year ended 31.12.	
	2025	2024 restated
Current tax income (expense)	-457	-1,580
Deferred tax income	203	31
Income tax income/expense	-254	-1,549

C. Amounts recognised in other comprehensive income

No transactions leading to deferred taxes in other comprehensive income occurred either in the reporting period or in the previous year.

D. Tax reconciliation

In Germany, the calculation of current tax is based on a combined tax rate of 31.38% for the Group (previous year: EUR 32.14%). This consists of a corporate tax rate of 15%, a solidarity surcharge on this of 5.5% and an average trade tax rate of 15.55% (previous year: EUR 16.31%). The decrease in the average trade tax rate, and consequently in the combined tax rate, in the financial year 2025 is primarily attributable to the tax entity (profit and loss transfer agreement) with the subsidiary botario, which became effective in the reporting year. Due to the lower trade tax burden of this entity compared with the previous Group level, the average trade tax rate at Group level decreased accordingly. The previous-year figures in the tax reconciliation were adjusted due to the adjustment recognised in profit or loss (section 2.C.1.).

In EUR thousand	2025	2024 restated
Profit before taxes	2,503	1,899
Taxes using the company's domestic tax rate of 31.38% (previous period 32.14%)	-785	-610
Tax effect on:		
Differences due to different tax rates	77	99
Non-deductible expenses	-118	-137
Impairment loss on investments in associates	-211	0
Trade tax add-backs	-89	-86
Impact from DTS merger	0	-610
Changes of tax rates	284	0
Adjustments for previous years	0	49
Losses for which no deferred tax assets are recognised	-	-
Adjustments for current taxes of previous years	108	-55
Use of tax loss carryforwards for which no deferred tax assets were recognised in the previous year	21	600
Change in realisability of deferred tax assets and tax credits	409	-612
Tax effect from permanent differences	43	-173
Other	8	-13
Current income taxes	-254	-1,549
Income taxes	-457	-1,580
Deferred tax asset	203	31
Income tax income/expense	-254	-1,549

The tax rates used locally by the Group companies range between 10% and 31.38%.

25. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year after taxes attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding in the period.

Diluted earnings per share are calculated by recognising earnings after tax attributable to the ordinary shareholders of the parent company, the weighted average number of ordinary shares outstanding in the reporting period and the effects of any dilutive effects inherent in converting potential ordinary shares.

Earnings per share as shown in the table below reflect the earnings from continuing operations.

In EUR thousand	2025	2024 restated
Profit (loss) for the year attributable to the owners of the parent company for basic earnings per share	2,249	350
Profit (loss) for the year attributable to the owners of the parent company for diluted earnings per share	2,249	350
Quantity	2025	2024
Weighted average number of ordinary shares for basic earnings per share	16,561,124	16,561,124
Weighted average number of ordinary shares for diluted earnings per share	16,561,124	16,561,124
In EUR	2025	2024 restated
Earnings per share		
Basic earnings	0.14	0.02
Diluted earnings	0.14	0.02

26. Transactions with related companies and persons

Parties are considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party through its financial and operating policy. In considering each possible related party relationship, attention is paid to the substance of the relationship and not just the legal form. In addition, a related party is any member of the Management Board, the C-level and the Supervisory Board of NFON AG, including any of their immediate family members and any entity owned or controlled by such persons.

A. Summary of transactions with related parties

The table below shows transactions with related parties with the exception of the remuneration of members of the Management Board and the Supervisory Board. Unless stated otherwise, related parties are companies with significant influence over NFON AG.

In EUR thousand	Transaction values	
	2025	2024
Sales of goods and services and other income	9	12
of which with NFON AG*	9	12
of which with subsidiaries of NFON AG**	–	–

* Of this, EUR 0 thousand (2024: EUR 0 thousand) relates to transactions with members of the Management Board and their affiliated companies and EUR 9 thousand (2024: EUR 12 thousand) to transactions with members of the Supervisory Board and their affiliated companies.

** Of this, EUR 0 thousand (2024: EUR 0 thousand) relates to transactions with members of the Management Board and their affiliated companies and EUR 0 thousand (2024: EUR 0 thousand) to transactions with members of the Supervisory Board and their affiliated companies.

In EUR thousand	Transaction values	
	2025	2024
Purchases of goods and services and other expenses	359	329
of which with NFON AG*	155	137
of which with subsidiaries of NFON AG**	204	192

* Of this, EUR 0 thousand (2024: EUR 0 thousand) relates to transactions with members of the Management Board and their affiliated companies and EUR 155 thousand (2024: EUR 137 thousand) to transactions with members of the Supervisory Board and their affiliated companies.

** Of this, EUR 0 thousand (2024: EUR 0 thousand) relates to transactions with members of the Management Board and their affiliated companies and EUR 204 thousand (2024: EUR 192 thousand) to transactions with members of the Supervisory Board and their affiliated companies.

In EUR thousand	Balance outstanding as at 31 Dec.	
	2025	2024
Trade receivables	1	1
of which with NFON AG*	1	1
of which with subsidiaries of NFON AG**	–	–

* Of this, EUR 0 thousand (2024: EUR 0 thousand) relates to transactions with members of the Management Board and their affiliated companies and EUR 1 thousand (2024: EUR 1 thousand) to transactions with members of the Supervisory Board and their affiliated companies.

** Of this, EUR 0 thousand (2024: EUR 0 thousand) relates to transactions with members of the Management Board and their affiliated companies and EUR 0 thousand (2024: EUR 0 thousand) to transactions with members of the Supervisory Board and their affiliated companies.

In EUR thousand	Balance outstanding as at 31 Dec.	
	2025	2024
Liabilities	29	33
of which with NFON AG*	16	16
of which with subsidiaries of NFON AG**	13	17

* Of this, EUR 0 thousand (2024: EUR 0 thousand) relates to transactions with members of the Management Board and their affiliated companies and EUR 16 thousand (2024: EUR 16 thousand) to transactions with members of the Supervisory Board and their affiliated companies.

** Of this, EUR 0 thousand (2024: EUR 0 thousand) relates to transactions with members of the Management Board and their affiliated companies and EUR 13 thousand (2024: EUR 17 thousand) to transactions with members of the Supervisory Board and their affiliated companies.

All transactions with these related parties must be settled in cash within two months of the end of the reporting period. None of the balances are secured. No material expense has been recognised in the current year or the previous year for bad or doubtful debts in respect of amounts owed by related parties.

Sales of goods and services and other income include cloud-based services provided to related parties. Purchases of goods and services and other expenses mainly include the services provided by companies controlled by related parties.

Various members of the Management Board and the Supervisory Board or parties related to these individuals hold positions in other companies which result in them controlling these companies or exercising a material influence over these companies.

A number of these companies conducted business with the Group in the financial year under review.

From time to time, members of the Management Board or the Supervisory Board, or their related parties, may purchase goods and services from the Group or sell goods and services to the Group.

In principle, such transactions are realised on an arm's-length basis. However, members of the Management Board and the Supervisory Board and their related parties may benefit from "Family&Friends" terms as customers of NFON if they are not offered even more favourable terms as "Premium Partners" (with the same terms as other "Premium Partners").

B. Executive bodies and remuneration

1. Management Board

The members of the Management Board are:

Management Board	Place of residence	Function and profession	Other mandates
Andreas Wesselmann*	Wilhelmsfeld	CEO, Master of Business Administration, graduate mathematician	–
Alexander Beck (from 1 October 2025)	Ingolstadt	CFO, graduate business degree, Business Administration and Management	–
Patrik Heider (until 30 September 2025)	Munich	CEO, degree in business administration	–

* Until 30 September 2025, CTO.

Pursuant to section 314 (1) no. 6 a sentences 1 to 3 HGB, the Management Board received remuneration of EUR 1,207 thousand in the reporting year (previous year: EUR 1,656 thousand). In the reporting year, this included grant values for share-based payments of EUR 123 thousand (previous year: EUR 243 thousand). In the reporting year, 25,000 share options were newly granted to Andreas Wesselmann with a fair value of EUR 2.4652 per option at the grant date (previous year: 100,000; fair value: EUR 2.4316), and 25,000 share options were newly granted to Patrik Heider with a fair value of EUR 2.4661 per option at the grant date.

The short-term remuneration for the members of the Management Board includes salaries and bonus payments.

Pursuant to IFRS regulations, Management Board remuneration is as follows:

In EUR thousand	2025	2024
Management Board remuneration		
Short-term remuneration	1,084	1,413
Share-based remuneration (long-term incentive)	136	95
Total remuneration of members of management	1,220	1,507

2. Supervisory Board

The members of the Supervisory Board of NFON AG were as follows as at 31 December 2025:

Supervisory Board	Function	Profession
Rainer Christian Koppitz	Chairman	CEO of Katek SE (until February 2024), entrepreneur, Munich
Günter Müller	Deputy Chairman	Executive Chairman of ASC Technologies AG, Hösbach
Dr Rupert Doechner		Lawyer, Managing Director of RECON Rechtsanwaltsgesellschaft mbH, Munich
Florian Schuhbauer		Managing Director of Active Ownership Capital S.à r.l. and Active Ownership Corporation S.à r.l., Grevenmacher, Luxembourg

In addition to his Supervisory Board work for NFON AG, Rainer Koppitz also serves as the Chairman of the Supervisory Board of Cenit AG, Stuttgart. Florian Schuhbauer is a member of the Supervisory Board of Modern Times Group MTG AB, Stockholm, and a member of the Supervisory Boards of HomeTo-Go SE, Luxembourg, HelloFresh SE, Berlin, Amadeus Fire AG, Frankfurt, and PNE AG, Cuxhaven.

The following remuneration was recognised for the members of the Supervisory Board:

In EUR thousand	2025	2024
Supervisory Board remuneration		
Basic remuneration	215	215
Attendance fee	16	32
Total short-term remuneration	231	247

27. Segment information

Pursuant to IFRS 8, operating segments must be defined on the basis of the internal reporting that is regularly reviewed by the company's chief operating decision makers, which in this case is the Chairman of the Management Board (CEO), in order to make decisions concerning the allocation of resources to these segments and to assess their performance. The decision as to which information is reported is based on the internal organisational and management structure and the structure of internal financial reporting. The CEO obtains and reviews financial information as part of routine management reporting.

The management primarily assesses performance on the basis of revenue and Contribution Margin 2 as presented in management reporting. Contribution Margin 2 is calculated as EBITDA adjusted for indirect intercompany transfers. EBITDA is earnings before interest, taxes, depreciation, amortisation and impairment pursuant to IFRS. Non-recurring effects in the period that are considered extraordinary are adjusted for in reported EBITDA.

Revenue by reportable segments refers to revenue with external customers and is based on IFRS. Invoices issued between Group companies are presented in the segments as increases and reductions of costs and are not included in revenue. In this context, the business cost allocations are included in Contribution Margin 2, while tax transfer pricing requirements are presented outside Contribution Margin 2. The NFON Group comprises a total of nine operating segments. Of these, eight are operating segments with external revenue and are shown separately below as reportable segments. The eight operating segments are NFON AG, NFON GmbH, NFON UK Ltd., NFON Iberia SL, NFON Italia S.r.l., NFON France SAS, NFON Polska Sp. z o.o. and botario GmbH.

The source of the revenue of all segments is described in note 2 (Significant accounting policies) Q – Revenue – and note 18 (Revenue).

A. Revenue and Contribution Margin 2 by reportable segment

In EUR thousand	2025	2024
Revenue		
NFON AG	64,648	64,687
botario GmbH	4,620	1,949
NFON GmbH	9,952	9,573
NFON UK Ltd.	7,906	8,498
NFON Iberia SL	473	469
NFON Italia S.r.l.	1,454	1,294
NFON France SAS	328	379
NFON Polska Sp. z o.o.	440	487
Total revenue of the reportable segments	89,820	87,336
Reconciliation	-755	-
Total consolidated revenue	89,065	87,336

In EUR thousand	2025	2024
Contribution Margin 2		
NFON AG	6,836	9,348
botario GmbH	2,109	1,266
NFON GmbH	2,727	2,247
NFON UK Ltd.	1,201	617
NFON Iberia SL	66	6
NFON Italia S.r.l.	-220	-902
NFON France SAS	-204	-185
NFON Polska Sp. z o.o.	-115	-265
Total Contribution Margin 2 by reportable segment	12,399	12,132
Other segments	231	193
Reconciliation	-1,244	-1,492
EBITDA	11,386	10,833
Add-back:		
Depreciation	-7,458	-8,178
Interest and similar income	113	228
Interest and similar expenses	-1,010	-629
Other finance result	143	-346
Impairment loss on investments in associates	-671	0
Share of losses from companies accounted for using the equity method	0	-9
Income taxes	-457	-1,580
Deferred tax asset	203	31
Net profit/loss for the period	2,249	350

Internal reporting is based on IFRS and adjusted EBITDA. Adjusted EBITDA is calculated by subtracting non-operating costs and one-time expenses ("non-recurring effects") from EBITDA.

As in the previous year, the reconciliation effects relate to NFON AG and amounted to EUR –1,234 thousand as at 31 December 2025 (previous year: EUR 1,492 thousand) and are attributable to non-recurring effects adjusted in internal reporting.

The adjusted non-recurring effects primarily relate to the following items:

- Management and sales reorganisation: EUR 673 thousand
- Product and system migration from legacy systems: EUR 342 thousand
- Stock options: EUR 217 thousand

B. Revenue by product/service

A description of the Group's products and services can be found under note 20 – Revenue. Each of the reportable segments presented above offers recurring and non-recurring products and services.

In EUR thousand	2025	2024
Recurring revenue		
NFON AG	61,668	62,220
botario GmbH	1,593	538
NFON GmbH	8,713	8,161
NFON UK Ltd.	7,510	7,755
NFON Iberia SL	464	462
NFON Italia S.r.l.	1,316	1,175
NFON France SAS	324	360
NFON Polska Sp. z o.o.	428	463
Total recurring revenue	82,016	81,134
Non-recurring revenue		
NFON AG	2,980	2,467
botario GmbH	2,272	1,411
NFON GmbH	1,239	1,412
NFON UK Ltd.	395	744
NFON Iberia SL	9	7
NFON Italia S.r.l.	138	118
NFON France SAS	4	20
NFON Polska Sp. z o.o.	12	23
Non-recurring revenue	7,049	6,202
Total consolidated revenue	89,065	87,336

C. Information on geographical areas

The tables below show revenue and non-current assets by country. The geographical allocation of revenue is based on the customer's location, while the allocation of assets is based on the company's location in the respective countries.

1. Revenue with external customers

In EUR thousand	2025	2024
Revenue		
Germany	67,344	65,581
thereof NFON AG	63,479	63,632
thereof botario GmbH	3,865	1,949
Austria – NFON GmbH	9,952	9,573
United Kingdom – NFON UK Ltd.	7,906	8,498
Italy – NFON Italia S.r.l.	1,454	1,294
Netherlands – NFON AG	616	685
Poland – NFON Polska Sp. z o.o.	440	487
Spain – NFON Iberia SL	473	469
France – NFON France SAS	328	379
Switzerland – NFON AG	554	370
Total consolidated revenue	89,065	87,336

2. Non-current assets

The table below shows non-current assets other than financial instruments, investments in associates and deferred taxes.

In EUR thousand	2025	2024
Non-current assets*		
Germany	59,589	61,343
thereof NFON AG	54,148	55,092
thereof botario GmbH	5,441	6,251
Portugal	32	108
Austria	315	323
Poland	103	158
United Kingdom	328	257
Italy	84	83
Spain	18	19
Republic of Kosovo	229	0
France	4	4
Total non-current assets	60,702	62,294

* Each country is generally represented by a single local entity. Germany is an exception, as two operating entities exist; these are therefore presented separately.

D. Major customers

The Group does not have any significant customer concentration. No single external customer accounted for 10.0% or more of the Group's total revenue.

28. Consolidated statement of cash flows

The statement of cash flows was prepared pursuant to IAS 7. The cash and cash equivalents reported in the consolidated statement of cash flows correspond to the "cash and cash equivalents" item in the statement of financial position and exclusively comprise short-term cash at banks. Cash flows from investing and financing activities are calculated directly; cash flow from operating activities is derived indirectly on the basis of the profit/loss after taxes. In the context of the indirect calculation, the recognised changes in balance sheet items are adjusted to reflect foreign currency translation effects. They cannot therefore be reconciled with the corresponding changes based on the published consolidated statement of financial position. The changes in liabilities from financing activities and the reconciliation to cash flows from financing activities are presented in note 18 – Financial liabilities. The cash and cash equivalents reported in the consolidated statement of cash flows correspond to the amounts presented under cash and cash equivalents in the statement of financial position for the respective financial years.

29. Contingencies and commitments

Other financial commitments of the NFON Group primarily relate to software licence agreements. These amounted to EUR 616 thousand as at 31 December 2025 (previous year: EUR 841 thousand).

An agreement exists with Meetecho under which Meetecho renders consulting services for NFON for a period of five years. This continues to result in a total obligation on the part of NFON of EUR 55 thousand (31 December 2024: EUR 165 thousand).

The Group may be subject to litigation, claims as well as governmental and regulatory proceedings arising in the ordinary course of business. In such cases, the Group recognises a provision for these matters when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. While uncertainties are inherent in the final outcome of these matters, the Group believes, after consultation with legal advisers, that the outcome of these proceedings will not have a material adverse effect on the Group's net assets, financial position and results of operations or cash flows.

30. Other disclosures

A. Auditor's fee

In the financial year 2025, Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, audited the separate annual financial statements and the consolidated financial statements of NFON AG for the first time.

In the previous year, the disclosures relate to KPMG AG Wirtschaftsprüfungsgesellschaft, Munich.

The following fees were recognised for the statutory auditor in 2025 and 2024:

In EUR thousand	2025	2024
Audit of the financial statements	406	538
Other assurance services	–	29
Other services	46	–

Other services in 2025 include services rendered by Grant Thornton in connection with an ESG readiness analysis.

B. List of shareholdings

	Share	Net income 2025 (in EUR thousand)	Equity (in EUR thousand)
NFON GmbH, St. Pölten, Austria	100.00%	308	2,069
NFON UK Ltd., Maidenhead, United Kingdom	100.00%	606	7,970
NFON Iberia SL, Madrid, Spain	100.00%	-53	-1,221
NFON Italia S.r.l., Milan, Italy	100.00%	6	38
NFON France SAS, Paris, France	100.00%	40	660
NFON Developments Lda., Lisbon, Portugal	100.00%	62	356
NFON Polska Sp. z o.o., Warsaw, Poland	100.00%	22	-619
botario GmbH, Bremen, Germany	100.00%	1,938	2,171
NFON Hub SH.P.K, Pristina, Kosovo	100.00%	-9	-8
Meetecho S.r.l., Naples, Italy	24.90%	46	560

The figures shown for net income and equity are based on the figures from the IFRS reporting packages (HB II) prepared by the subsidiaries for the purposes of preparing these consolidated financial statements.

31. Events after the reporting period

Merger of botario GmbH with NFON AG

NFON AG intends to merge botario GmbH, Bremen, into NFON AG in the financial year 2026. The merger will further advance the integration of botario's high-growth business segment and realise synergies in the strategic growth areas of NFON AG. We assume that the merger can be completed in the second half of 2026. As botario has already been fully consolidated in NFON's consolidated financial statements since 1 September 2024, and a profit transfer agreement has been in place with the company since 1 January 2025, the immediate effects of the merger on the Group's net assets, financial position and results of operations are expected to be immaterial. In the medium term, however, the planned synergy effects are expected to be realised significantly faster.

Geopolitical developments in the Middle East

With the military escalation of the conflict with Iran at the end of February 2026, the geopolitical situation in the Middle East has intensified significantly. The conflict has led to considerable tensions in international energy and financial markets. In particular, the security of supplies of oil and gas, as well as the stability of important transport and trade routes, has come into increased focus for global markets. These developments may lead to rising energy prices, higher inflation and a deterioration in economic expectations.

Europe could also experience dampening effects on economic growth as a consequence. Higher energy prices and increased economic uncertainty may affect both the purchasing power of private households and companies' willingness to invest. As a consequence, a risk exists that investment decisions may be taken more cautiously or postponed. The full extent of the economic impacts cannot yet be reliably assessed at the time when this report was prepared.

No further events of particular significance occurred at NFON after the end of the reporting period as at 31 December 2025 that have a major impact on the Group's results of operations, financial position and net assets, and an effect on financial accounting and reporting.

32. Proposal for the appropriation of the parent company's earnings

It is proposed that the parent company's net income be carried forward to a new account.

33. Declaration of compliance with the German Corporate Governance Code

The Management and Supervisory boards have submitted the declaration of compliance with the German Corporate Governance Code required pursuant to section 161 of the German Stock Corporation Act and have published it on the [corporate website](#).

Munich, 13 April 2026

NFON AG
The Management Board

Andreas Wesselmann
Chief Executive Officer

Alexander Beck
Chief Financial Officer

04 Further information

Contents

Declaration of the Management Board	141
Independent Auditor's Report	142
Glossary	147
Abbreviations	150
Financial calendar 2026	151
Contact information	151
Imprint	151

 **Interactive table of contents** Click on the individual topics to go to the respective page.

Declaration of the Management Board

To the best of our knowledge, we declare that, in accordance with applicable financial reporting principles, the annual financial statements give a true and fair view of the company's net assets, financial position and results of operations, and the management report of the company, which is combined with the Group management report, provides a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Munich, 13 April 2026

NFON AG
The Management Board

Andreas Wesselmann
Chief Executive Officer

Alexander Beck
Chief Financial Officer

Independent Auditor's Report

To NFON AG, Munich

Report on the Audit of the Consolidated Financial Statements and of the combined Group Management Report

Opinions

We have audited the consolidated financial statements of NFON AG, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2025, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2025, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the combined management report of NFON AG, Munich, for the financial year from January 1 to December 31, 2025. In accordance with German legal requirements, we have not audited the content of the components of the combined management report listed in the appendix.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2025, and of its financial performance for the financial year from January 1 to December 31, 2025, and

- the accompanying combined group management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in the appendix.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined group management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the combined Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 [2] [f] of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2025, to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

In the following, we present the key audit matter in our view:

Existence of revenue from telecommunications services

We have structured our presentation of this key audit matter as follows:

- 1 Risk to the consolidated financial statements
- 2 Auditor's response
- 3 Reference to related disclosures

Existence of revenue from telecommunications services

1 Risk for the consolidated financial statements

The consolidated financial statements of NFON AG for the financial year 2025 show revenue of EUR 89.1 million. The revenue mainly results from recurring, cloud-based telecommunications services. Telecommunications-based revenue primarily depends on factors such as the number of extensions ("seats") or the number of call minutes, which are captured by the Company's IT system and billed monthly. In many cases, no external evidence of service delivery is available beyond the Company's system records. Customers generally have a right to dispute invoices within an eight-week period, after which the invoiced services are deemed to have been accepted.

As a result, accounting is based largely on internally generated digital information and automated processing steps. Against this backdrop, there is a risk to the financial statements that telecommunications-based revenue is recognized without sufficient evidence of the underlying performance and acceptance.

2 Auditor's response

Based on our understanding of the business model, the revenue streams and the key IT-supported processes, we assessed the resulting risks. Based on this, we performed our audit in a risk-oriented manner and – against the background of the digital business model – used automated tools and techniques as well as data analyses to obtain sufficient appropriate audit evidence on the telecommunications-based revenue.

We carried out a cash-to-revenue analysis for the telecommunications-based revenues for the 2025 financial year. For this purpose, we compared the payments received from customers with the incoming payments recorded in NFON AG's systems on the basis of bank account movements.

In addition, we assessed the reversal postings and credit notes in the 2025 financial year. To address risks from events after the reporting date, we analyzed reversal postings and credit memos in January 2026 and obtained and assessed evidence for a deliberate selection. In addition, we analyzed charge-backs based on the reasons for return and – if the amount was material – obtained additional evidence on a random basis. We examined customer refunds to determine whether there were any unusual payment flows or refund patterns. We also verified the existence of customers on the basis of a deliberate selection.

For trade receivables still outstanding as at the reporting date, we took a statistical sample and obtained balance confirmations or performed alternative audit procedures.

3 Reference to related disclosures

NFON AG's disclosures on revenue can be found in sections "2. Significant accounting policies, P. Revenue", "20. Revenue" and "27. Segment information" in the notes to the consolidated financial statements.

Other Information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises

- the unaudited components of the combined management report listed in the appendix to the auditor's report,
- the responsibility statement pursuant to Section 297 (2) sentence 4 HGB and Section 315 (1) sentence 5 HGB on the consolidated financial statements and the combined management report,
- the report of the Supervisory Board and
- the other parts of the annual report
- but not the consolidated financial statements, the audited content of the combined management report and our auditor's report thereon

The legal representatives and the Supervisory Board are responsible for the declaration pursuant to Section 161 AktG on the German Corporate Governance Code, which forms part of the declaration on corporate governance, and for the remuneration report pursuant to Section 162 AktG. The Supervisory Board is responsible for the report of the Supervisory Board in the annual report. In all other respects, the legal representatives are responsible for the other information.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the legal representatives and the Supervisory Board for the Consolidated Financial Statements and the combined Management Report

The legal representatives are responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud [i.e., fraudulent financial reporting and misappropriation of assets] or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the combined group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have

considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the combined Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- Conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the combined group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the combined Group Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB Opinion

We have performed an assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter also referred to as "ESEF documents") contained in the file „ESEF_NFON AG KA IFRS.zip, SHA256: ead6c4958b4ae26072e2a6600642b-8f8b9647d92ec6e885338ea3e214afe78de“ and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format").

In our opinion, the rendering of the consolidated financial statements and the combined group management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined group management report

for the financial year from January to December 31, 2025, contained in the "Report on the Audit of the Consolidated Financial Statements and the combined Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the audit opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined group management report contained in the file and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 [06.2022]). Our responsibilities in accordance therewith are further described in the "Auditor's responsibility for the audit of the ESEF documents" section. Our audit practice complies with the quality management system requirements of the IDW Quality Management Standard: Requirements for Quality Management in the Auditing Practice (IDW QMS 1 [09.2022]) have been applied.

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The Company's legal representatives are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined group management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's legal representatives are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We have been elected as auditor of the consolidated financial statements by the annual general meeting on June 26, 2025. We were engaged by the chairman of the audit committee on July 21, 2025. We have been the auditor of the consolidated financial statements of NFON AG, Munich, since the financial year 2025.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined group management report as well as the examined ESEF documents. The consolidated financial statements and combined group management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Andrea Stoiber-Harant.

Munich, 14. April 2026

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stephan Mauermeier
Wirtschaftsprüfer
[German Public Auditor]

Andrea Stoiber-Harant
Wirtschaftsprüfer
[German Public Auditor]

Appendix to the independent auditors' report: Combined group management report components not audited for content

We have not audited the content of the corporate governance statement pursuant to Section 289f HGB and Section 315d HGB referred to in the combined management report.

In addition, we have not audited the content of the following information extraneous to management reports. Information extraneous to combined management reports is information that is neither required pursuant to Sections 289 to 289f HGB and Sections 315 to 315d HGB nor German Accounting Standard GAS 20.

- The remuneration report pursuant to Section 162 AktG, to which reference is made in the combined management report
- The "Sustainability Statement 2025" or "Sustainability Declaration", to which reference is made in the combined management report
- The following non-management report disclosures in the section "Group Business Profile" of the subsection "Business model":
 - Number of customers
 - Number of countries where customers are based
 - Number of partners
 - Percentage customer breakdown by direct customers from dealer partners/distributors and customers via wholesale partners
 - Number of countries in which NFON has telecommunications licenses
- In the subsection "Internal control system" in the section "Report on opportunities and risks" of the combined management report, the introductory paragraph on the objective of the internal control system and the paragraph "Effectiveness statement"
- All cross-references to the domain "corporate.nfon.com" and the information to which these cross-references refer

Glossary

Average revenue per user (ARPU) – This is a blended ARPU, which means that the average is taken across all products, channels and regions. Blended ARPU is calculated as the recurring revenue for the period in question divided by the total number of active seats (seat base) for the period in question. Monthly fees with SIP trunks are not seat-based. An SIP trunk is counted toward the number of voice channels sold. To avoid diluting the ARPU figure, recurring revenue from monthly fees with SIP trunks are therefore deducted. However, sold voice minutes from SIP trunks are counted because these could also be generated on conversion into seats as part of a targeted medium-term migration to cloud PBX.

BSI C5 – The BSI C5 certificate refers to a certification procedure of the Federal Office for Information Security (BSI) in Germany. It is used by cloud service providers as verification that they meet certain security requirements. The abbreviation "C5" stands for "Cloud Computing Compliance Criteria Catalogue" and includes criteria that are relevant to the security of cloud services.

Business Support System (BSS) – In the telecommunications industry, the Business Support System is used to manage contractual relationships with customers/suppliers/partners, managing products and resources and for billing.

Churn – Churn refers to the customer deactivation/termination rate.

Churn rate – NFON measures the extent of subscriber deactivations in a certain period, in our case monthly, on the basis of the gross deactivation/termination rate. We define the gross deactivation rate as the number of seats lost in a certain period divided by the total number of seats at the end of the period. As a rule, we calculate the gross churn rate on a monthly basis. We include both contract terminations and unterminated contracts under which no seat has been activated for six months.

Cloud – The cloud refers in general to a group of remote computers and servers that are connected over the internet and can jointly provide resources such as storage, processing power and applications. Users can access these resources via the internet without having to physically access hardware or infrastructure. The cloud enables users and businesses to scale and use data and applications quickly and flexibly without having to take responsibility for the administration and maintenance of the underlying infrastructure.

Compliance – Compliance forms an important element of corporate governance and is understood to refer to compliance with laws and directives as well as voluntary codes within the company.

Compound annual growth rate (CAGR) – The CAGR measures the mean annual growth rate of a metric over a period longer than one year, assuming compound growth.

Contact Center as a Service (CCaaS) – CCaaS is a Software as a Service (SaaS)-based application that helps customer service organisations to fully manage customer interactions across many communication channels (multi-channel or omnichannel).

Contact centre solutions – A contact centre is a central unit of a company or organisation responsible for the management of incoming and outgoing communication. It is a place where customer enquiries and problems can be dealt with via various channels such as telephone, e-mail, chat, social media, etc. Contact centres typically use specialised software tools such as customer relationship management (CRM) systems, ticketing systems and automated telephony systems to manage and optimise interaction with customers. The objective of a contact centre is to promote customer satisfaction and loyalty and to make customer support more effective and efficient.

Dealer partners – Trading partners.

Distributors – Distribution refers to the distribution of goods or services from a manufacturer or supplier to end customers or retailers.

EBITDA – Earnings before interest, taxes, depreciation and amortisation.

EBITDA adjusted/adj. – Adjusted EBITDA is calculated by subtracting non-operating and/or one-time expenses, such as expenses for stock options, from EBITDA.

Employee stock option plan (ESOP) – The employee stock option plan is a programme that enables employees to acquire shares in their own company.

Enterprise Resource Planning (ERP) – Enterprise resource planning describes the business task of planning, managing and administering staff, resources, capital, equipment, materials, and information and communication technology in a timely and needs-based manner in line with the corporate purpose.

Environment, social, governance (ESG) – This refers to factors that investors and businesses consider in order to assess E-, S- and G-related risks and opportunities. ESG measures ecological and social impact and how a business is run. ESG is an analytical approach that uses data to assess businesses according to these factors. It is generally used to evaluate companies and investments.

Facilities-based local exchange carrier (LEC) – A telecommunications company that provides the direct connection between the end customer (subscriber) and the core network. These operators are sometimes referred to as local access providers. Unlike pure service providers (resellers), a facilities-based LEC operates its own infrastructure or leases it on a large scale in order to provide access lines.

ISO 50001 – ISO 50001 is an internationally recognised standard for quality management systems. It defines requirements for the systematic improvement of energy-related performance. Companies with ISO 50001 certification have established an energy management system that is oriented towards enhancing efficiency and reducing emissions.

ISO 9001 – ISO 9001 is an internationally recognised standard for quality management systems. It defines the requirements for effective quality management in organisations and offers a framework for the continuous improvement of processes, products and services. Companies that receive ISO 9001 certification have demonstrated that they have established a quality management system that is focused on customer orientation, process optimisation and continuous improvement.

ISO 27001 – ISO 27001 is an international standard for information security management systems (ISMS). It defines requirements for the management of information security in organisations and aims to identify, assess and deal with risks to ensure the confidentiality, integrity and availability of information. Companies that receive ISO 27001 certification have demonstrated that they have implemented appropriate security controls and measures to protect information and to manage the risks associated with information security.

Key performance indicator (KPI) – KPIs are used to measure specific developments and trends in a company.

Multi-factor authentication – Multi-factor authentication is an authentication method that requires users to provide two or more verification factors to gain access to a resource such as an application, an online account or a VPN.

On-premise – On-site.

Private branch exchange (PBX/cloud PBX) – Private branch exchange is a general term for a telephony system for businesses that offers multiple incoming and outgoing lines, call forwarding, voicemail and call management functions. If this is operated over a cloud, this telephony system is referred to as a “cloud PBX”. This solution is similar to a hosted PBX system, but relies on the cloud infrastructure to provide telephony services. Physical hardware is further dispensed with and the telephony system is provided via the internet, which enables greater flexibility and scalability.

Seat – A seat is a telephone extension installed with a customer.

Seat base – The seat base is the total number of seats and licences used by customers. NFON always calculates the seat base as at the end of the reporting period, e.g. 31 December.

Single sign-on – Single sign-on refers to the use of a single authentication process to gain access to services, applications or resources. It replaces individual login procedures with different types of user data and relies on a universal user identity.

SIP trunk technology – SIP trunking refers to a telephone line or system connection that is provided via an IP connection using the standard protocol SIP (Session Initiation Protocol). This technology enables companies to transmit telephone calls via the Internet Protocol (IP) instead of conventional (on-premise) telephone lines. By utilising a broadband internet connection, businesses can make and receive calls without the need for separate physical phone lines.

Software as a Service (SaaS) – Software as a Service (SaaS) is a cloud computing model that makes software applications available over the internet. In contrast to traditional software solutions, in which users have to install and run software on their own computers, SaaS applications can be used directly via web browser.

Voice channels – “Voice channels” in a SIP trunk refer to the number of simultaneous voice connections that can be handled via this trunk. A single voice channel enables simultaneous communication between two parties.

Stakeholders – Individuals or stakeholder groups and their representatives who are affected by, or can influence, a company’s activities – such as employees, customers, investors or partners.

Symmetric digital subscriber line (SDSL) – A symmetric digital subscriber line is a DSL technology that provides access to a public digital network.

Unified Communications (UC)/Unified Communications as a Service (UCaaS) – Unified communications is an integrated solution that combines various communication methods in one platform to improve collaboration and information exchange. UC systems enable users to use various communication channels such as voice, video, chat, e-mail and collaboration in real time via a single interface.

UC also integrates various functions such as voice and video calls, teleconferences, messaging and file transfer in a single application or platform. Through the integration of communication channels and functions, UC offers a seamless and efficient way to collaborate and improves the productivity and effectiveness of teams and organisations.

Wholesale distributors – Wholesale distributors have further wholesale partners, in other words, their own network of wholesale partners to market NFON’s services. See also “Distributors”.

Abbreviations

AI	Artificial intelligence	ESG	Environment, social, governance	RMS	Risk management system
AktG	Aktiengesetz; German Stock Corporation Act	ESOP	Employee stock option plan	R&D	Research and development
AOC	Active Ownership Capital	ESRS	European Sustainability Reporting Standards	SaaS	Software as a Service
ARPU	Average revenue per user	EU	European Union	SDSL	Symmetric digital subscriber line
BNetzA	Bundesnetzagentur, German Federal Network Agency	FTE	Full-time equivalents	STI	Short-term incentive
BSI	German Federal Office for Information Security	GDP	Gross domestic product	TKG	Telekommunikationsgesetz; German Telecommunications Act
BSS	Business Support System	HC	Head count	UC	Unified Communications
CAGR	Compound annual growth rate	HGB	Handelsgesetzbuch; German Commercial Code	UCaaS	Unified Communications as a Service
CCaaS	Contact Centre as a Service	IAS	International Accounting Standards	VPN	Virtual Private Network
CGU	Cash-generating unit	IASB	International Accounting Standards Board	WpHG	Wertpapierhandelsgesetz; German Securities Trading Act
CMS	Compliance management system	IFRIC	International Financial Reporting Interpretations Committee	WpÜG	German Securities Acquisition and Takeover Act
CRM	Customer relationship management	IFRS	International Financial Reporting Standards		
CSRD	Corporate Sustainability Reporting Directive	IfW	Kiel Institute for the World Economy		
DCGC	German Corporate Governance Code	ICS	Internal control system		
DRS 20	German Accounting Standard No. 20	IMF	International Monetary Fund		
EBIT	Earnings before interest and taxes	KPI	Key performance indicator		
EBITDA	Earnings before interest, taxes, depreciation and amortization	LTI	Long-term incentive		
ERP	Enterprise Resource Planning	MWh	Megawatt hour		
		PBX	Private branch exchange		

Financial calendar 2026

21 May 2026

Quarterly statement January – March 2026

24 June 2026

Annual General Meeting of NFON AG

20 August 2026

Half-year financial report 2026

19 November 2026

Quarterly statement January – September 2026

All dates are subject to change.

On the [Investor Relations website](#) of NFON AG you will find the [current financial calendar](#) as well as the additional service offering, which includes information about the share price, company presentations and further overviews of key figures.

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Social media

The NFON Group maintains an extensive presence on various social media channels:

[Instagram](#), [Facebook](#), [LinkedIn](#) and [YouTube](#). On our company blog blog.nfon.com

also provides valuable insights, specialist articles and all the latest news.

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