Road map to growth

Half-year financial report
2025

NFON

Key figures **H1 2025**

In EUR million	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
Total revenue	44,194	42,544	3.9%	22,109	21,290	3.8%
Recurring revenue	**41,267**	**40,102**	**2.9%**	**20,520**	**20,200**	**1.6%**
Share of recurring revenue	**93.4%**	**94.3%**	**–**	**92.8%**	**94.9%**	**–2.2%**
Non-recurring revenue	2,927	2,442	19.9%	1,588	1,091	45.6%
Share of non-recurring revenue	6.6%	5.7%	–	7.7%	5.4%	43.3%
Blended ARPU (in EUR)	9.9	9.9	0.4%	9.8	9.9	–0.8%
Number of seats (total)	657,584	665,022	–1.1%	–	–	–
Adjusted EBITDA*	**5,696**	**5,509**	**3.4%**	**3,079**	**2,697**	**14.1%**

* Reconciliation of EBITDA to adjusted EBITDA see section “Income and expense items”.

OUR GUIDING PRINCIPLE

“We rethink business communication, inspiring and connecting people to grow together sustainably.”

NFON Half-year financial report **2025**

NAVIGATION

- Page forward
- Page back
- Contents
- More information

Quick links

Contents

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

01 Interim Group management report

Contents

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

Interim Group management report

Business performance

Important events

On 27 February 2025, NFON published its preliminary results for the financial year 2024 on the basis of preliminary, unaudited figures and announced strong earnings and cash flow growth as well as its consistent continuation on its growth trajectory. The fully audited report for the financial year 2024 was published on 17 April 2025. NFON published its results for the first quarter on 22 May 2025. All reports are available for download on the ⊕ NFON website in the Investor Relations area.

In April 2025, NFON opened a new location in Pristina, Republic of Kosovo. This strategically important step strengthens NFON's competitiveness and creates additional capacity for growth and innovation. Overall, NFON plans to hire around 30 new employees at the Pristina site – particularly in the areas of Research and Development, Finance and People & Culture. The new hub will make a significant contribution to the further development of innovative solutions and strengthen the organisation's long-term scalability.

The Annual General Meeting of NFON AG for the financial year 2024 was held on 26 June 2025. Numerous shareholders took this opportunity to engage in personal dialogue with the Management Board. A key feature of this Annual General Meeting was the dual transformation, underscoring NFON's claim to leadership in the AI-based business communication area. A total of 88.13% of the share capital was represented. The shareholders confirmed by a large majority the course taken and approved all agenda items. The voting results of the Annual General Meeting for the financial year 2024 can be downloaded from ⊕ NFON's corporate website in the Investor Relations/Annual General Meeting area.

Strategic development

On 30 January 2025, NFON presented its "NFON Next 2027" strategy update. The aim of this new orientation is to realise sustainably profitable growth and take a leading position in the market for AI-based business communications. This strategy focuses on the targeted expansion of revenue and efficiency through innovative AI solutions, greater proximity to customers as well as operational excellence. The further development of the portfolio of scalable, AI-based communication solutions forms the core of the strategy. The strategy is supplemented by the establishment of efficient, agile corporate structures, the consistent implementation of a scalable business model and the promotion of a culture of collaboration and continuous development.

On this strategic basis, the first key initiatives for operational implementation were prepared and successfully launched in the first half of 2025 – particularly with regard to the sales structure and the go-to-market model.

Sales excellence: further development of partner structure and sales model

With NEXUS, NFON's new partner programme, a modern, clearly structured model for partner development has been created. It combines growth-orientated performance levels with role-specific differentiation and aims to promote the channel in a more targeted manner, align it strategically and develop it further in a scalable manner.

In addition, we have developed a new, modular licence model, which is to be rolled out successively in the third quarter. This simplifies quotation and billing processes, enhances transparency for customers and creates additional potentials for upselling and cross-selling. The focus is on a more efficient sales organisation and a stronger orientation to customers.

Innovative product development: AI functions in cloud telephony

Key progress was also made in the product development area in the first half of 2025: NFON successfully integrated the first AI features into its cloud telephony platform. These features include Nia, the NFON Intelligent Assistant, automatic voicemail transcription, an optimised web app for full browser compatibility, CarPlay support for mobile telephony and enhanced security functions such as unified login and multi-factor authentication. Further elements such as the automatic transcription of calls, call summaries and automatically generated instructions for action have been implemented in the platform since the beginning of the third quarter of 2025. In particular, these developments support service-orientated teams in their day-to-day work and underscore NFON's claim to make intelligent automation and seamless communication the standard in business communications.

Macroeconomic, sector-specific and regulatory conditions

Macroeconomic trends in Europe, Germany and key foreign markets[1]

The global economy was stable overall in the first half of 2025, but fell short of expectations, according to the Kiel Institute for the World Economy (IfW). The global economy was characterised by weak growth in industrialised countries, only moderate growth in global trade and continuing geopolitical uncertainties.

A slight recovery was evident in the eurozone, driven by private consumption. However, growth remained weak in structural terms. In Germany, restrained investment activity and low capacity utilisation in industry led to a subdued economy.

Austria benefited from stable domestic demand and a robust labour market. In the United Kingdom, economic growth continued to be held back by restrictive financial policies and higher energy prices.

Sector-specific market environment and relevant trends

Given generally stable global economic growth, albeit still accompanied by uncertainties, the digital economy in Germany proved to be comparatively resilient in the first half of 2025. The ITC sector partly decoupled itself from the overall economic environment, although the growth impetus within the market was distributed heterogeneously.[2]

The Bitkom-ifo Digital Index, which measures the business situation and expectations of the digital economy, stood at –1.0 points in June 2025, which indicates a continued cautious market assessment – although expectations have improved compared to the previous quarter with an increase from –13.3 to –3.2 points. These more optimistic expectations primarily reflect the impetus provided by the new German government and the newly created Ministry of Digital Affairs, according to Bitkom. However, compared to the overall economy – where the ifo business climate index stood at –6.7 points – the digital sector is much more stable.[3]

1 https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/a893cdfb-cc56-46ea-95a7-35cbf181cbd2-KKB_124_2025-Q2_Welt_DE.pdf
2 https://www.bitkom.org/Presse/Presseinformation/Lichtblick-Rezession-Digitalbranche-waechst
3 https://www.bitkom.org/Digitalindex

Regulatory framework

The regulatory framework for NFON's business activities remained largely unchanged in the first half of 2025 compared to the financial year 2024 and had no significant impact on business performance and growth.

Presentation of the company's performance

In EUR million	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
Revenue	44.2	42.5	3.9%	22.1	21.3	3.8%
of which recurring	41.3	40.1	2.9%	20.5	20.2	1.5%
of which non-recurring	2.9	2.4	19.9%	1.6	1.1	45.6%
Cost of materials	–6.2	–6.6	–6.7%	–3.1	–3.2	–4.5%
Gross profit	**38.0**	**35.9**	**5.8%**	**19.0**	**18.1**	**5.3%**
Other operating income	0.7	0.3	–	0.5	0.0	–
Staff costs	–19.1	–17.4	9.5%	–9.8	–8.8	11.1%
Other operating expenses	–14.7	–13.7	7.4%	–7.2	–7.0	3.4%
EBITDA	**4.9**	**5.0**	**–2.8%**	**2.4**	**2.3**	**6.5%**
Adjusted EBITDA	**5.7**	**5.5**	**3.4%**	**3.1**	**2.7**	**14.1%**
Depreciation, amortisation and write-downs	–3.8	–3.9	–3.0%	–1.8	–2.0	–7.3%
EBIT	**1.1**	**1.1**	**–2.0%**	**0.6**	**0.7**	**–18.3%**
Net financial result	–0.2	–0.1	80.1%	–0.2	–0.0	–
Income tax expense	–0.3	–0.5	–42.4%	–0.2	–0.3	–47.2%
Deferred tax income	0.1	0.0		0.0	–0.0	–
Consolidated result	**0.7**	**0.5**	**36.6%**	**0.3**	**–0.0**	**–**

Results of operations, financial position and net assets

Results of operations

NFON continued on its growth trajectory in the first half of 2025. By increasing the share of high-margin, recurring revenue, gross profit rose by 5.8%, thereby outpacing the rate of revenue growth of 3.9%.

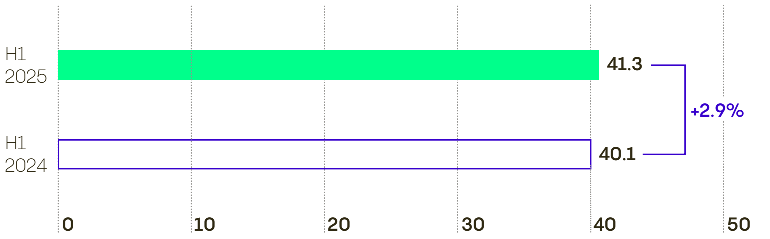
The strategic focus on AI solutions and the inorganic effect of the botario acquisition led to higher staff costs and other operating costs in the reporting period. In terms of staff costs, this relates particularly to the areas of research and development and AI & innovation; in terms of other expenses, this relates particularly to the cost types marketing, IT costs, freelancers and sales. Overall, non-recurring effects included in expenses amounted to EUR 0.8 million (previous-year period: EUR 0.5 million). Further details can be found in the ⊕ Income and expense items section.

Overall, unadjusted EBITDA of EUR 4.9 million in the first half of 2025 was slightly below the previous year's level (EUR 5.0 million). By contrast, adjusted EBITDA grew to EUR 5.7 million (previous-year period: EUR 5.5 million). At EUR 1.1 million, EBIT stood at approximately the previous year's level (previous-year period: EUR 1.1 million).

Consolidated revenue and consolidated seat growth

Consolidated revenue reported moderate year-on-year growth of 3.9%. Growth was driven especially by botario GmbH, which was acquired in the previous 2024 year. By contrast, revenue in the core cloud telephony business was down by 0.7%. This reflects a reluctance to invest that prevails in some areas of the market, lower hardware revenue and a lower level of voice minutes usage – whereby the latter is particularly due to seasonal effects.

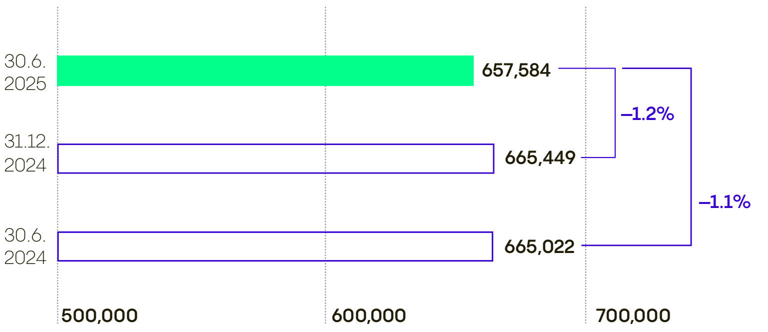
Trend in share of recurring revenue (in EUR million)



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

Recurring revenue grew by 2.9% on a Group-wide basis in the first half of 2025. In the core business, recurring revenue expanded by 1.0% in the same period. Non-recurring revenue outpaced this rate of growth and was up by 19.9%. The main driver was the project business of botario GmbH, which accounted for 48% of the company's total revenue in the reporting period.

Seat growth (absolute)



Year-on-year lower new order intake combined with a stable deactivation/termination rate (H1 2025 and H1 2024 both 0.5%) led to a slight reduction in the seat base of 1.1% in the first half of 2025. This trend particularly reflects the currently challenging market environment as well as a reluctance to invest.

Revenue and seat growth by segment

The NFON Group comprises a total of ten operating segments. The breakdown by segment reflects the individual international subsidiaries of NFON, which in the financial year 2025 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 Polsk Sp. z o.o.), Portugal (NFON Developments Lda.) and Kosovo (NFON Hub sh.p.k).

Of these, eight are operating segments with external revenue and are shown separately below as reportable segments. The subsidiaries in Portugal and Kosovo exclusively render development (software) and IT services and are not intended to ever generate revenue outside the Group. Aside from the German stock corporation, which is also responsible for research and development, the other subsidiaries essentially function as independent sales companies in their domestic markets.

The revenue generated by the overall NFON Group with external customers in the first half of 2025 is attributable to the individual international subsidiaries as follows and is reported pursuant to IFRS:

At EUR 31.1 million, the recurring revenue of NFON AG in the first half of 2025 remained at the same level as in the same period of the previous year. While monthly licence fees for PBX products and the Contact Centre Hub continued to grow, this was offset by a diminishing level of voice minute revenues. Non-recurring revenue reduced by a total of EUR 0.3 million – particularly due to lower hardware revenue.

The newly reported botario segment contributed EUR 1.9 million to revenue in the reporting period.

Regional revenue trends were mixed: Revenue was down in the United Kingdom (–3.0%), Poland (–3.4%) and France (–19.1%). By contrast, the Italy (+16.1%), Austria (+8.3%) and Spain (+8.2%) segments reported growth.

Seats in segments

	H1 2025	H1 2024
NFON AG*	480,473	485,826
NFON GmbH	76,544	73,909
NFON UK Ltd.	75,745	80,833
NFON Iberia SL	4,953	4,768
NFON Italia S.r.l.	11,430	10,798
NFON France SAS	3,738	4,133
NFON Polska Sp. z o.o.	4,701	4,755
Total	**657,584**	**665,022**

* In the 2024 financial year, Deutsche Telefon Standard GmbH (100%-owned subsidiary) merged with NFON AG.

Trend in average revenue per user

NFON uses average recurring revenue across all services, sales channels and countries per user or seat, referred to as blended average revenue per user (ARPU), to measure operating performance per seat. The average voice minutes sold per seat have a significant influence on blended ARPU. The average number of voice minutes used per seat has diminished slightly compared to the pandemic-related peaks in 2020 and 2021. In order to stabilise blended ARPU and offset inflation-related cost trends, NFON implemented targeted price adjustments for selected products and customer cohorts in 2022, 2024 and the second quarter of 2025. Thanks to these measures, blended ARPU in the first half of 2025 was higher year-on-year – despite a reduced level of voice minutes usage.

Blended ARPU development (in EUR)

Income and expense items

Other operating income

Other operating income amounted to EUR 0.7 million as of 30 June 2025 (30 June 2024: EUR 0.3 million). This growth mainly reflects currency gains as well as a higher level of non-cash benefits awarded to employees.

Cost of materials

The costs of materials reduced year-on-year from EUR 6.6 million to EUR 6.2 million in the first half of 2025. This especially reflects the continuing lower level of demand for hardware, a trend that is also evident in non-recurring revenue. The costs of materials ratio decreased accordingly to 13.9% (previous-year period: 15.5%).

Staff costs

Due to the acquisition of botario GmbH, the average number of employees (individuals) rose to 412 in the reporting period (previous-year period: 392). As a consequence, staff costs increased to EUR 19.1 million in the first half of 2025 (previous-year period: EUR 17.5 million).

In the reporting period, expenses of EUR 0.5 million were recognised in connection with the reorganisation of the top management and EUR 0.1 million for the harmonisation of the system landscape (previous-year period: EUR 0.1 million). In addition, expenses of EUR 0.1 million (previous-year period: EUR 40 thousand) were incurred for an employee stock option programme.

Adjusted for these non-recurring effects, staff costs amounted to EUR 18.4 million (previous-year period: EUR 17.4 million). This represents an adjusted ratio of staff costs to revenue of 41.6% (previous year: 40.9%).

Other operating expenses including marketing and sales expenses

Other operating expenses rose to EUR 14.7 million in the first half of 2025 (30 June 2024: EUR 13.7 million). The higher level of these expenses especially reflects IT costs in connection with the further development of the Business Support System, which plays a central role in the strategic development of infrastructure and partner capability.

Higher expenses in the areas of marketing, sales, consulting and personnel costs were also incurred. By contrast, rents and other general administrative expenses were lower year-on-year.

In the first half of 2025, non-recurring expenses of EUR 0.1 million were recognised for the harmonisation of the system landscape. Adjusted for this non-recurring effect, other operating expenses amounted to EUR 14.6 million (previous-year period: EUR 13.4 million). This corresponds to an adjusted expense ratio of 33.1% (previous-year period: 31.4%).

Depreciation and amortisation

Depreciation and amortisation decreased slightly to EUR 3.8 million in the first half of 2025 (previous-year period: EUR 3.9 million).

Net interest income

The net interest expense amounted to EUR 0.2 million in the first half of 2025 (previous-year period: EUR 0.1 million). This mainly reflected a lower level of interest income from fixed-term deposits as well as a higher level of interest expenses for non-current financial liabilities.

Income tax expense/income

The income tax expense in the first half of 2025 reduced to EUR 0.2 million (previous-year period: EUR 0.5 million). This reduction mainly arises from non-recurring effects in the previous year in connection with the merger of DTS.

In EUR million	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
EBITDA	**4.9**	**5.0**	**–2.8%**	**2.4**	**2.3**	**3.9%**
Adjustments in staff costs:						
Stock options/ESOPS	0.1	0.0	–	0.1	–0.0	–
Harmonisation of IT Landscape	0.1	0.1	–0.1%	0.0	0.0	–0.0%
Focus on Group-wide activities		–	–		–	–
Reorganisation of top management	0.5	–	–	0.5	–	–
Adjustments to other operating expenses:						
Expenses for M&A	–	0.3	–		0.3	–100.0%
Harmonisation of IT Landscape	0.1	0.1	29.7%	0.1	0.1	–23.8%
Administrative expenses		–	–		–	–
Total non-recurring effects	**0.8**	**0.5**	**69.1%**	**0.7**	**0.4**	**74.2%**
Adjusted EBITDA	**5.7**	**5.5**	**3.4%**	**3.1**	**2.7**	**14.1%**
EBIT	**1.1**	**1.1**	**–2.1%**	**0.6**	**0.3**	**67.5%**
Consolidated result	**0.7**	**0.5**	**46.8%**	**0.5**	**–0.0**	**–**
Adjusted consolidated result	**1.5**	**1.0**	**57.7%**	**1.2**	**0.4**	**–**

At EUR 4.9 million, unadjusted EBITDA in the first half of 2025 was almost at the level of the previous-year period (EUR 5.0 million). Adjusted EBITDA reached EUR 5.7 million and was consequently slightly higher than the level as of 30 June 2024 (EUR 5.5 million). At EUR 1.1 million, EBIT also remained stable year-on-year.

Net assets, financial position and investments

Intangible assets

The decrease in intangible assets to EUR 50.8 million as of 30 June 2025 (31 December 2024: EUR 51.5 million) is mainly due to the amortisation of development projects capitalised in connection with new products and functional enhancements to existing solutions. Capitalised development costs for products under development or already developed products amounted to EUR 12.0 million as of the 30 June 2025 reporting date (31 December 2024: EUR 12.3 million) and EUR 4.3 million for the configuration of the Business Support System (BSS) (31 December 2024: EUR 4.4 million).

Goodwill from the botario acquisition rose by EUR 0.2 million to EUR 16.0 million due to an adjustment of the contingent purchase price obligation as part of initial consolidation.

As of 30 June 2025, NFON had realised targeted investments in development activities, of which a portion amounting to EUR 1.5 million (31 December 2024: EUR 2.5 million) was capitalised. These were recognised under intangible assets. Investments in property, plant and equipment of EUR 0.3 million in the reporting period mainly concerned IT infrastructure.

Property, plant and equipment

Property, plant and equipment decreased by EUR 0.6 million to EUR 9.3 million as of 30 June 2025 compared to 31 December 2024 (EUR 9.9 million). This trend mainly reflects the depreciation of purchased hardware.

Receivables and cash and cash equivalents

At EUR 10.3 million, trade receivables were at the level as of 31 December 2024.

Bank balances decreased by EUR 2.2 million to EUR 13.5 million as of 30 June 2025 compared to 31 December 2024. This was mainly due to the payment of EUR 1.9 million rendered in June 2025 for the contingent purchase price obligation in connection with the achievement of the 2024 target as part of the botario acquisition.

Equity

Equity grew to EUR 48.9 million as of 30 June 2025 compared to 31 December 2024 (EUR 48.3 million). This especially reflects the positive result of EUR 0.7 million for the period. The currency translation reserve decreased by EUR 0.2 million as of the end of the reporting period compared to 31 December 2024.

Liabilities and financial liabilities

Trade payables reduced from EUR 5.2 million as of 31 December 2024 to EUR 4.3 million as at 30 June 2025, reflecting factors relating to the reporting date.

Non-current and current financial liabilities amounted to a total of EUR 20.5 million as of 30 June 2025 (31 December 2024: EUR 22.8 million).

In the financial year 2024, NFON AG raised a secured long-term bank loan from Bank für Tirol und Vorarlberg with a carrying amount of EUR 5.0 million to finance the acquisition of botario GmbH. The current portion amounts to EUR 0.8 million as of 30 June 2025 (31 December 2024: EUR 0.3 million).

On 19 August 2024, an additional agreement was concluded with Bank für Tirol und Vorarlberg (BTV) in relation to the money market line of credit agreement dated 22 December 2021, which provides for a reduction of the existing line of credit from EUR 5.0 million to EUR 2.0 million and a term until 30 November 2026. As of the 30 June 2025 reporting date, the money market line of credit was utilised in the amount of EUR 1.0 million.

Cash flow

Operating cash flow reduced to EUR 2.5 million as of 30 June 2025 (30 June 2024: EUR 3.7 million). This was mainly due to a reduction in trade payables as of the reporting date. At EUR 0.7 million, earnings before taxes were above the previous year's level of EUR 0.5 million.

Other provisions increased by EUR 0.5 million – mainly in connection with the reorganisation in the Sales and Marketing area and associated costs.

NFON recorded a negative effect of EUR 0.2 million from exchange rate changes in the reporting period (previous-year period: positive effect of EUR 0.2 million). This exchange rate effect derived primarily from the translation of GBP into EUR at the UK subsidiary. The income in the United Kingdom chiefly results from the valuation of intercompany loans and internal cost allocations.

Cash flow from investing activities amounted to EUR –3.6 million. This derived from EUR 1.5 million of investments in intangible assets, which were attributable to development projects in the product area. In addition, EUR 0.3 million was invested in property, plant and equipment – mainly for IT infrastructure and hardware.

Furthermore, the first payment of EUR 1.9 million was rendered in June 2025 as part of the contingent purchase price obligation from the botario acquisition.

Cash flow from financing activities amounted to EUR –1.0 million and mainly reflected the repayment of lease liabilities.

Events after the reporting period

For information on events after the end of the financial year, please refer to note 15 “Events after the end of the reporting period” in the notes to the consolidated financial statements and the disclosures in the separate annual financial statements of NFON AG as at 31 December 2024.

Opportunities and risks

Opportunity and risk management

NFON AG explained its risks and opportunities in detail in its Annual Report 2024. As of the time of the publication of this report, no changes have arisen compared to the aforementioned report on opportunities and risks for 2024.

Forecast

This forecast is based on information available as of 30 June 2025, taking into consideration the opportunities and risks as presented for the NFON Group. The underlying assumptions are based on the Group's internal planning and on external estimates available on the reporting date, including those of economic research institutes and sector-related market analyses. Such assumptions can be influenced by unforeseeable external or internal developments, as a consequence of which actual business performance as of the year-end can deviate either positively or negatively from planned figures. In addition, deviations may arise from assumptions made regarding macroeconomic trends.

Please also refer to the information in the sections "General economic conditions and industry environment", "Opportunities and risks" and "Forecast" in the ⊕ Annual Report for the year ending as of 31 December 2024. These applied unchanged as of 30 June 2025.

Expected macroeconomic and sector-related conditions

Expected macroeconomic trends in Europe, Germany and key foreign markets[4]

The Kiel Institute for the World Economy (IfW) is forecasting global GDP growth of 2.9% for 2025 as a whole, which reflects a moderate year-on-year slowdown. Financial policy is largely neutral at present. In some regions, however – particularly in the USA – tax reliefs and rising defence spending are leading to structural budget deficits and greater levels of uncertainty about the direction of economic policy.

For the eurozone in 2025, the Kiel Institute for the World Economy (IfW) forecasts GDP growth of 1.1% and a fall in the inflation rate to 2.1%.

In Germany, NFON's home market, GDP is now anticipated to expand slightly by 0.4% – reflecting an upward revision compared to previous forecasts. The inflation rate is expected to stabilise at around 2.4%.

The foreign markets relevant to NFON are also indicating cautiously positive momentum: the IfW is forecasting GDP growth of 0.1% for Austria, primarily driven by a revival in domestic demand, while the inflation rate is expected to amount to 2.8%. In the United Kingdom, GDP growth of 1.1% is expected, despite restrictive monetary and fiscal policy and a continued reluctance to invest. The inflation rate in the United Kingdom is anticipated to amount to 3.0% in 2025, according to current forecasts.

Expected sector-specific market environment and relevant trends

Sales in the German ICT industry are expected to expand by 4.6% to EUR 232.8 billion this year, according to the most recent forecasts published by industry association Bitkom.[5] Cloud infrastructures, software solutions and AI-based applications are the main growth drivers in this context. At the same time, many companies' investment activities remain subdued:

For the European cloud communications market, the core segment of NFON's business model, NFON expects average annual growth of around 5.8% up until 2028, based on the most recent forecasts issued by Cavell.[6] Growth drivers in this context include hybrid working models, greater requirements in terms of IT and communication security and initial application scenarios for AI-based communications. At the same time, the market remains fragmented: the five largest providers account for around just 35% of all installed seats, according to a study by Research & Markets.[7] This indicates intense competition, particularly in high-margin submarkets such as business communications, cloud communications and collaboration services.

⊕ Further information can be found in the Annual Report 2024.

4 https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/a893cdfb-cc56-46ea-95a7-35cbf181cbd2-KKB_124_2025-Q2_Welt_DE.pdf
5 https://www.bitkom.org/Presse/Presseinformation/Lichtblick-Rezession-Digitalbranche-waechst
6 NFON internal calculation, based on the Cavell Group's "Cloud Comms Market Report Q4 2024".
7 https://www.researchandmarkets.com/report/europe-ucaas-market

Expected trend in key performance indicators

Based on business performance in the first half of 2025 and our current assessment of the market, NFON is adjusting its full-year forecast 2025. Although moderate revenue growth was achieved in the first half of the year, especially thanks to growth in the project business, in the cloud telephony area – NFON's core segment – revenue growth fell short of expectations. In addition to the continued reluctance of many companies to invest, it has become apparent that the realisation of individual growth drivers has been delayed and that we were not yet able to fully exploit the existing market potential in the first half of the year.

NFON now anticipates revenue growth of between 3% and 5% for the financial year 2025 (previous forecast: 8% to 10%). The forecast for adjusted EBITDA has been adjusted to a range between EUR 12.5 million and EUR 14.0 million (previous forecast: between EUR 13.5 million and EUR 15.5 million).

Outlook 2025

	2024 reported	2025 outlook (April)	2025 outlook
Growth rate of total revenues	6.1%	8–10%	3–5%
Adjusted EBITDA	EUR 12.3 million	EUR 13.5–15.5 million	EUR 12.5–14 million

Despite this adjustment, NFON continues to look with confidence to the second half of the year. The basis for this is the high share of recurring revenue and a diversified business model that is specifically oriented towards the changing requirements of modern business communications. The strategic measures to focus sales activities, enhance efficiency and further develop high-margin premium solutions are being consistently implemented. At the same time, the company is realising targeted investments in innovation – particularly in the expansion of AI-based communication solutions – thereby laying the foundation for future, scalable growth.

All these activities form part of the NFON Next 2027 corporate strategy presented in January 2025, with which the company is working towards sustainable profitability, technological differentiation and a leading position in the European market for business communications.

Forward-looking statements and forecasts

This half-year financial 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 that is available to it at present. 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 quarterly statement. 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 half-year financial report. Further information about the forward-looking statements can also be found in the section "About this report" in the ⊕ Annual Report 2024.

Further information can be found in the Annual Report 2024.

02 Condensed interim consolidated financial statements

Contents

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

Consolidated statement of financial position

as at 30 June 2025

In EUR thousand	30.06.2025	31.12.2024
Non-current assets		
Property, plant and equipment	9,262	9,878
Intangible assets	50,768	51,522
Investments in associates	671	671
Deferred tax assets	69	63
Other non-current, non-financial assets	769	823
Total non-current assets	**61,539**	**62,957**
Current assets		
Inventories	96	105
Trade receivables	10,334	10,317
Current other financial assets	453	726
Current other non-financial assets	3,896	2,676
Cash and cash equivalents	10,775	12,995
Total current assets	**25,555**	**26,819**
Total assets	**87,094**	**89,776**

In EUR thousand	30.06.2025	31.12.2024
Equity		
Issued capital	16,561	16,561
Capital reserves	109,403	109,297
Loss carryforward	–77,762	–78,496
Currency translation reserve	730	978
Total equity	**48,932**	**48,340**
Non-current liabilities		
Non-current financial liabilities	14,052	17,979
Other non-current, non-financial liabilities	755	839
Deferred tax liabilities	1,923	2,000
Total non-current liabilities	**16,730**	**20,818**
Current liabilities		
Trade payables	4,323	5,174
Current provisions	3,309	2,853
Current income tax liabilities	1,740	1,758
Current financial liabilities	6,485	4,859
Current other non-financial liabilities	5,574	5,975
Total current liabilities	**21,431**	**20,618**
Total equity and liabilities	**87,094**	**89,776**

Consolidated statement of income and consolidated statement of comprehensive income

for the period from 1 January to 30 June 2025

In EUR thousand	H1 2025	H1 2024	Q2 2025	Q2 2024
Revenue	44,194	42,544	22,109	21,298
Other operating income	702	250	452	35
Cost of materials	–6,156	–6,596	–3,069	–3,214
Staff costs	–19,102	–17,448	–9,829	–8,847
Depreciation, amortisation and impairments	–3,819	–3,938	–1,814	–1,958
Other operating expenses	–14,749	–13,727	–7,245	–7,003
Impairment losses on trade and other receivables	10	59	–20	40
Other tax expense	–3	–46	–1	–4
Income from continuing operations before net interest income and income taxes	**1,077**	**1,098**	**582**	**348**
Interest and similar income	64	137	29	67
Interest and similar expenses	–482	–220	–241	–110
Other finance result	267	–	267	–
Finance result	**–150**	**–83**	**56**	**–43**
Earnings before income taxes	**927**	**1,015**	**638**	**305**
Income taxes	–275	–483	–163	–308
Deferred tax income	83	6	39	–1
Consolidated result	**734**	**538**	**514**	**–4**
Attributable to:				
Shareholders of the parent company	734	538	514	–4
Non-controlling interests	–	–	–	–
Other comprehensive income (will be reclassified to profit or loss)	–248	179	–176	72
Taxes on other comprehensive income (will be reclassified to profit or loss)	–	–	–	–
Other comprehensive income after taxes	**–248**	**179**	**–176**	**72**
Total comprehensive income	**486**	**717**	**338**	**68**
Attributable to:				
Shareholders of the parent company	486	717	338	68
Non-controlling interests	–	–	–	–
Net income per share, basic (in EUR) (py. net loss)	**0.03**	**0.03**	**0.02**	**0.00**
Net income per share, diluted (in EUR) (py. net loss)	**0.03**	**0.03**	**0.02**	**0.00**

Consolidated statement of cash flows

for the period from 1 January to 30 June 2025

In EUR thousand	H1 2025	H1 2024
1. Cash flow from operating activities		
Profit/loss after taxes	734	538
Adjustments to reconcile profit (loss) to cash provided		
Income taxes	192	477
Interest expenses, net	150	83
Amortisation of intangible assets and depreciation of property, plant and equipment	3,819	3,938
Impairment losses on trade and other receivables	–10	–59
Equity-settled share-based payment transactions	106	40
Other non-cash income and expenses	93	–
Changes in:		
Inventories	9	–2
Trade and other receivables	–901	–968
Trade payables and other liabilities	–1,395	220
Provisions and employee benefits	456	–340
Income (expenses) from sales of fixed assets	1	6
Interest paid	–130	96
Income taxes received/paid, net	–388	–558
Effects of changes in foreign exchange rates	–248	179
Cash flow from operating activities	**2,490**	**3,651**

In EUR thousand	H1 2025	H1 2024
2. Cash flow from investing activities		
Proceeds from the disposal of property, plant and equipment and intangible assets	2	6
Payments for investments in property, plant and equipment	–212	–346
Payments for investments in intangible assets	–1,547	–1,306
Payments from the acquisition of consolidated companies and other business units (earn-out)	–1,872	–
Cash flow from investing activities	**–3,630**	**–1,646**
3. Cash flow from financing activities		
Repayment of lease liabilities	–1,040	–774
Other proceeds/payments		1
Cash flow from financing activities	**–1,040**	**–773**
Change in cash and cash equivalents	**–2,262**	**1,232**
Effects of changes in exchange rates on cash held	–40	19
Cash and cash equivalents at the beginning of the period	**12,995**	**12,281**
Cash and cash equivalents at the end of the period	**10,775**	**13,532**

Consolidated statement of changes in equity

as at 30 June 2025

	Attributable to owners of the company						
In EUR thousand	Issued capital	Capital reserves	Currency translation reserve	Loss carryforward	Total equity	Non-controlling interests	Total
As at 01.01.2025	**16,561**	**109,297**	**978**	**−78,496**	**48,340**	**–**	**48,340**
Total comprehensive income for the period							
Profit (loss) in the period	–	–	–	734	734	–	734
Other comprehensive income for the period	–	–	−248	–	−248	–	−248
Total comprehensive income for the period	**–**	**–**	**−248**	**734**	**486**	**–**	**486**
Transactions with owners of the company							
Equity-settled share-based payment transactions	–	106	–	–	106	–	106
Total transactions with owners of the company	**–**	**106**	**–**	**–**	**106**	**–**	**106**
As at 30.06.2025	**16,561**	**109,403**	**730**	**−77,762**	**48,932**	**–**	**48,932**

as at 31 December 2024

In EUR thousand	Issued capital	Capital reserves	Currency translation reserve	Loss carryforward	Total equity	Non-controlling interests	Total
	Attributable to owners of the company						
As at 01.01.2024	**16,561**	**109,153**	**647**	**–79,206**	**47,155**	**–**	**47,155**
Total comprehensive income for the period							
Profit (loss) in the period	–	–	–	710	710	–	710
Other comprehensive income for the period	–	–	331	–	331	–	331
Total comprehensive income for the period	**–**	**–**	**331**	**710**	**1,040**	**–**	**1,040**
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	**16,561**	**109,297**	**978**	**–78,496**	**48,340**	**–**	**48,340**

Selected notes to the financial statements

Contents

1. Accounting principles

Company overview

NFON is a provider of voice-centric business communications in Europe, has more than 54,000 business customers in 15 European countries, and has affiliated companies in Germany, Austria, the UK, Spain, Italy, France, Poland, Portugal and 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.

Condensed interim consolidated financial statements

The condensed interim consolidated financial statements for the first half of 2025 with selected notes to the financial statements present the business activities of the NFON Group (hereinafter: "we", "NFON", "the company", "the Group", "the NFON Group") for the period from 1 January 2025 to 30 June 2025. The condensed interim consolidated financial statements have been prepared pursuant to the provisions of IAS 34, in other words, the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), taking into consideration their interpretation by the International Financial Reporting Interpretations Committee (IFRIC), and are, as a matter of principle, based on the same accounting policies that were applied in the consolidated financial statements for the financial year ending 31 December 2024. However, the condensed interim consolidated financial statements do not contain all the information and disclosures required in consolidated financial statements and as a consequence should be read in conjunction with the consolidated financial statements for the financial year ending 31 December 2024.

The condensed interim consolidated financial statements for the period ending 30 June 2025 were neither audited nor reviewed by the Group auditor, Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich. They were approved for publication by the Management Board on 21 August 2025.

Currency

The interim 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.

For further details about the accounting policies, please refer to the consolidated financial statements of NFON AG for the year ending 31 December 2024.

All assumptions and estimates are based on premises that were valid on the reporting date. The actual values may diverge from the assumptions and estimates made if the aforementioned general conditions were to develop contrary to the expectations held as of the reporting date.

Comparative information

The interim consolidated financial statements include amounts for the period from 1 January 2025 to 30 June 2025 and as of 30 June 2025 compared to the period from 1 January 2024 to 30 June 2024 and as of 30 June 2024. The consolidated balance sheet figures as of 30 June 2025 were compared with the consolidated balance sheet figures as of the last reporting date of 31 December 2024.

Seasonal and other influences on business activities

The business model of NFON AG is hardly affected by seasonal factors, as the core business is primarily active in the business customer segment, which covers various sectors and generates relatively consistent revenue throughout the year. In addition, the business model is largely based on monthly recurring revenue.

2. Effects of new accounting standards and interpretations

The accounting policies applied in the consolidated financial statements for the financial year ending 31 December 2024 have been applied unchanged in this half-year financial report.

Standards to be applied for the first time in this reporting period had no significant impact on the Group's accounting policies. Equally, no requirement arose for retroactive adjustments.

NFON applies new standards for the first time when they become effective.

3. Intangible assets

Intangible assets amounted to EUR 50,768 thousand as of 30 June 2025 (31 December 2024: EUR 51,522 thousand).

In connection with the development of new products or new features for existing products, development costs of EUR 11,981 thousand (31 December 2024: EUR 12,253 thousand) were recognised under intangible assets as of 30 June 2025. Additions recognised in the reporting period amounted to EUR 1,246 thousand.

4. Interest-bearing liabilities

Financial liabilities comprise the following items:

Interest-bearing liabilities

In EUR thousand	30.06.2025	31.12.2024
Current financial liabilities		
Lease liabilities	1,585	1,675
Loan	1,833	1,333
Contingent liability (earn-out)	3,066	1,843
Other	–	8
Subtotal current financial liabilities	**6,485**	**4,859**
Non-current financial liabilities		
Lease liabilities	6,794	7,141
Loan	4,166	4,667
Contingent liability (earn-out)	3,092	6,172
Subtotal non-current financial liabilities	**14,052**	**17,979**
Total financial liabilities	**20,537**	**22,838**

Lease liabilities

Of the current lease liabilities, EUR 1,252 thousand (31 December 2024: EUR 1,347 thousand) relates to leased office space, EUR 313 thousand (31 December 2024: EUR 306 thousand) to leased vehicles and EUR 20 thousand (31 December 2024: EUR 21 thousand) to leased operating and office equipment and bicycles. Of the non-current lease liabilities, EUR 6,556 thousand (31 December 2024: EUR 6,897 thousand) relates to leased office space, EUR 219 thousand (31 December 2024: EUR 216 thousand) to leased vehicles and EUR 19 thousand (31 December 2024: EUR 29 thousand) to leased operating and office equipment and bicycles.

Credit facility

In the financial year 2024, NFON AG raised a secured long-term bank loan with a carrying amount of EUR 5,000 thousand to finance the acquisition of botario GmbH from Bank für Tirol und Vorarlberg Aktiengesellschaft (BTV). The current portion amounts to EUR 833 thousand as of 30 June 2025 (31 December 2024: EUR 334 thousand). Pursuant to the agreement, this bank loan runs until 31 August 2030 and is repayment-free until 31 August 2025. The interest rate on the loan was agreed with a fixed interest rate of 6.62% for three years. From 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 2024, 2025, 2026 and 2027, respectively, minimum EBITDA 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 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.

On 19 August 2024, an additional agreement was concluded with 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 2026. 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 2024, 2025, 2026 and 2027 must be complied with. These are minimum EBITDA 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 30 June 2025 reporting date, the money market line of credit was utilised in the amount of EUR 1,000 thousand.

5. Equity

Compared with 31 December 2024, equity grew by EUR 327 thousand to EUR 48,932 thousand. This especially reflects the earnings of EUR 734 thousand for the period.

Capital reserves grew by EUR 106 thousand due to existing share-based payment arrangements. The corresponding expense was recognised in staff costs. The currency translation reserve decreased by EUR 248 thousand as of the end of the reporting period compared to 31 December 2024.

6. Financial instruments

Accounting classifications and fair values

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.

30.06.2025	Amortised cost			Fair value			
In EUR thousand	Fair value	Carrying amount	Total carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade receivables	–	10,334	10,334	–	–	–	–
Other financial assets*	–	453	453	–	–	–	–
Cash and cash equivalents	–	10,775	10,775	–	–	–	–
Total financial assets not measured at fair value	**–**	**21,562**	**21,562**	**–**	**–**	**–**	**–**
Financial liabilities not measured at fair value	**–**			**–**	**–**	**–**	**–**
Secured bank loan (short and long term)*	–	5,000	5,000	–	–	–	–
Unsecured bank loans (short term)*	–	1,000	1,000	–	–	–	–
Trade payables	–	4,323	4,323	–	–	–	–
Lease liabilities (current and non-current)*	–	8,379	8,379	–	–	–	–
Financial liabilities measured at fair value							
Contingent liability (earn-out)	6,158	–	–	–	–	6,158	6,158
Total financial liabilities not measured at fair value	**6,158**	**–**	**–**	**–**	**–**	**6,158**	**6,158**

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

31.12.2024	Amortised cost			Fair value			
In EUR thousand	Fair value	Carrying amount	Total carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade receivables	–	10,317	10,317	–	–	–	10,317
Other financial assets*	–	726	726	–	–	–	726
Cash and cash equivalents	–	12,995	12,995	–	–	–	12,995
Total financial assets not measured at fair value	**–**	**24,038**	**24,038**	**–**	**–**	**–**	**24,038**
Financial liabilities not measured at fair value							
Secured bank loan (short and long term)*	–	5,000	5,000	–	–	–	–
Unsecured bank loans (short term)*	–	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 did not recognise any significant net gains or net losses from financial assets or liabilities in its statement of comprehensive income. In the reporting period, 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 measured at cost.

Fair value measurement techniques

Fair values are measured on the basis of the market information available on the reporting date and in accordance with standard market valuation methods. The fair values of the Group's interest-bearing loans are calculated using the discounted cash flow method. This is based on a discount rate that reflects NFON's financing interest rate as of the end of the reporting period.

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. The following table shows the management's assessment of the target achievement of the respective earn-out tranches. These were weighted with a probability of occurrence and thereby result in the expected value per tranche. For the assessment of target achievement and the probability of occurrence, the management mainly took into consideration the provisions on target overachievement/underachievement agreed in the purchase agreement as well as the current monthly financial statements available at the time of acquisition and the forecasts for the earn-out period.

Transfers between hierarchy levels

No transfers between individual hierarchy levels were implemented in the first six months of 2025.

Financial risk management

The Annual Report for 2024 and the interim management report for the first half of 2025 present details of all risks that could have a significant negative impact on the NFON Group's business position, net assets, financial position, results of operations and reputation.

7. Contingent liabilities and commitments

No significant changes have occurred compared to 31 December 2024.

8. 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 period derived from contracts with customers.

In EUR thousand	H1 2025	H1 2024
Product/service		
Recurring revenue		
NFON AG*	31,054	31,064
botario GmbH	1,003	–
NFON GmbH	4,283	3,983
NFON UK Ltd.	3,881	3,853
NFON Iberia SL	648	229
NFON Italia S.r.l.	247	561
NFON France SAS	164	186
NFON Polska Sp. z o.o.	225	227
Reconciliation	–238	–
Consolidated recurring revenue	**41,267**	**40,102**
Non-recurring revenue		
NFON AG	1,052	1,387
botario GmbH	927	–
NFON GmbH	651	574
NFON UK Ltd.	230	386
NFON Iberia SL	68	4
NFON Italia S.r.l.	5	56
NFON France SAS	1	18
NFON Polska Sp. z o.o.	9	16
Reconciliation	**–16**	**–**
Non-recurring consolidated revenue	**2,927**	**2,442**
Consolidated revenue	**44,194**	**42,544**

* In the 2024 financial year, Deutsche Telefon Standard GmbH (100%-owned subsidiary) merged with NFON AG.

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

In the first half of 2025, recurring revenue posted moderate year-on-year growth, mainly reflecting the expansion of the customer base. Non-recurring revenue outpaced this rate of growth and was up by 19.9%. The main driver was the project business of botario GmbH.

Contractual assets (30 June 2025: EUR 50 thousand; 31 December 2024: EUR 69 thousand) and contractual liabilities (30 June 2025: EUR 156 thousand; 31 December 2024: EUR 328 thousand) to be recognised in connection with IFRS 15 are reported under other non-financial assets (current) and other non-financial liabilities (current), respectively.

9. Other operating income

Other operating income amounting to EUR 702 thousand (previous-year period: EUR 250 thousand) primarily includes income of EUR 246 thousand (previous-year period: EUR 183 thousand) in connection with non-cash benefits awarded to employees.

10. Other operating expenses

In EUR thousand	H1 2025	H1 2024
Other operating expenses		
Sales commission	6,135	5,983
Marketing expenses	2,072	1,680
IT expenses	1,962	1,495
Consulting expenses	1,272	1,274
Other staff costs	1,371	1,057
General administration	982	1,017
Rental costs	347	628
Travel expenses	293	248
Support costs	268	226
Currency translation expenses	48	118
Total other operating expenses	**14,749**	**13,727**

The increase in sales commissions from EUR 5,983 thousand in the first half of 2025 to EUR 6,135 thousand in the reporting period chiefly reflects the year-on-year higher revenue volume in the first half of 2025.

11. 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 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.

In previous years, stock option plans (approved by the Annual General Meetings on 9 April 2018 – "2018 stock option plan", on 24 June 2021 – "2021 stock option plan" and on 30 June 2023 – "2023 stock option plan") were established, on the basis of which stock options were allocated to key Group employees.

The Group measures the costs of granting equity instruments and share appreciation rights to employees at the fair value of these equity instruments and share appreciation rights as at the grant date or at the end of the reporting period. To estimate the fair value, a suitable measurement method must be specified for the granting of equity instruments and share appreciation rights; this is dependent on the grant conditions. It is also necessary to determine the expected option term, volatility and dividend yield as well as to make assumptions relating to the beneficiary turnover rate as well as further assumptions.

A gross total of 1,598,729 (30 June 2024: 1,512,729) stock options were granted as of the 30 June 2025 reporting date. In this context, EUR 106 thousand (previous year: EUR 40 thousand) was recognised in staff costs (offsetting item: capital reserves) in the reporting period.

12. Income taxes

The tax expense of EUR 192 thousand for the first half of 2025 (H1 2024: EUR 477 thousand) was calculated pursuant to IAS 34 on the basis of the best possible estimate of the average income tax rate for the year. The expected income tax rate was calculated on the basis of the tax planning for the entire financial year.

13. 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 what 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 segment 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 ten operating segments. Of these, eight are operating segments with external revenue and are shown separately below as reportable segments. The eight segments are NFON AG, botario GmbH, NFON GmbH, NFON UK Ltd., NFON Iberia SL, NFON Italia S.r.l., NFON France SAS and NFON Polska Sp. z o.o.

Revenue and Contribution Margin 2 by reportable segment

In EUR thousand	H1 2025	H1 2024
Revenue		
NFON AG*	32,106	32,451
botario GmbH	1,930	–
NFON GmbH	4,934	4,557
NFON UK Ltd.	4,111	4,239
NFON Iberia SL	252	233
NFON Italia S.r.l.	716	617
NFON France SAS	165	204
NFON Polska Sp. z o.o.	234	242
Total revenue of the reportable segments	**44,448**	**42,544**
Reconciliation	–254	–
Total revenue	**44,194**	**42,544**

* In the 2024 financial year, Deutsche Telefon Standard GmbH (100%-owned subsidiary) merged with NFON AG.

In EUR thousand	H1 2025	H1 2024
Contribution Margin 2		
NFON AG*	3,257	4,898
botario GmbH	810	–
NFON GmbH	1,311	1,002
NFON UK Ltd.	624	340
NFON Iberia SL	–245	4
NFON Italia S.r.l.	32	–632
NFON France SAS	–108	–85
NFON Polska Sp. z o.o.	–102	–163
Total Contribution Margin 2 by reportable segment	**5,579**	**5,364**
Other segments	44	99
Reconciliation	–727	–427
EBITDA	**4,896**	**5,036**
Addback:		
Depreciation and amortisation	–3,819	–3,938
Net financial result	–150	–83
Income from associates	–	–
Income tax expense	–192	–477
Consolidated result	**734**	**538**

* In the 2024 financial year, Deutsche Telefon Standard GmbH (100%-owned subsidiary) merged with NFON AG.

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.

The reconciliation effects of EUR –727 thousand as of 30 June 2025 are primarily attributable to non-recurring effects adjusted for in internal reporting (EUR –800 thousand) and EUR 73 thousand are attributable to consolidation effects.

Of the reconciliation effects of EUR –427 thousand as of 30 June 2024, EUR –473 thousand are attributable to non-recurring effects adjusted for in internal reporting and EUR 46 thousand are attributable to consolidation effects.

Information on geographical areas

The tables below show revenue and non-current assets by country. The geographical allocation of revenue and assets is based on the domicile of the legal entities in the countries.

Revenue with external customers

In EUR thousand	H1 2025	H1 2024
Revenue		
Germany	33,297	31,918
Austria	4,934	4,557
United Kingdom	4,111	4,239
Italy	716	617
Spain	336	233
Netherlands	234	350
Switzerland	252	184
Poland	165	242
France	149	204
Total revenue	**44,194**	**42,544**

Non-current assets

The table below shows non-current assets other than financial instruments, investments in associates and deferred taxes.

In EUR thousand	30.06.2025	30.06.2024
Non-current assets		
Germany	59,591	61,327
Portugal	64	108
Austria	365	332
Poland	127	154
United Kingdom	377	238
Italy	50	60
Kosovo	69	–
Spain	3	3
France	–	–
Total non-current assets	**60,647**	**62,222**

14. Transactions with related companies and persons

No significant transactions were realised with related parties during the reporting period. Such transactions have not changed significantly compared to the previous year.

15. Events after the end of the reporting period

No events occurred after the end of the reporting period that had a significant impact on the Group's net assets, financial position and results of operations as of 30 June 2025.

Munich, 21 August 2025

Patrik Heider
Chief Executive Officer

Andreas Wesselmann
Management Board

03 Further information

Contents

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 assure that, in accordance with the applicable accounting principles for half-year financial reporting, the consolidated interim financial statements give a true and fair view of the Group's net assets, financial position and results of operations, and that the interim Group management report presents the Group's course of business, including its business result and position, in such a manner as to provide a true and fair view, and also describes the principal opportunities and risks pertaining to the Group's expected development during the remainder of the financial year.

Munich, 21 August 2025

Patrik Heider
Chief Executive Officer

Andreas Wesselmann
Management Board

Financial calendar 2025

20 November 2025

Quarterly statement January – September 2025

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: Facebook, LinkedIn and YouTube. Our company blog blog.nfon.com also provides valuable insights, specialist articles and all the latest news.

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