NFON GROUP | HALF-YEAR FINANCIAL REPORT **2024**

Transformation. Integration. Implementation.

NFON
Half-year financial report **2024**

Who **we** are

Headquartered in Munich, **NFON** is a leading European provider of integrated cloud business communications. With eight branches and over 3,000 partners in 18 European countries, the listed company (Frankfurt Stock Exchange, Prime Standard) counts more than 55,000 companies among its customers.

The NFON portfolio consists of four areas: business communication, integration, customer contact and enablement. With its core product Cloudya, the smart cloud communication platform, NFON offers convenient voice calls, easy video conferences and smooth integration of CRM and collaboration tools for small and medium-sized enterprises.

All NFON cloud services are operated in certified data centres in Germany, where 100% of their energy needs are covered by renewable sources. NFON accompanies companies with intuitive communication solutions into the future of business communication.

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NAVIGATION

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Key performance indicators **H1 2024**

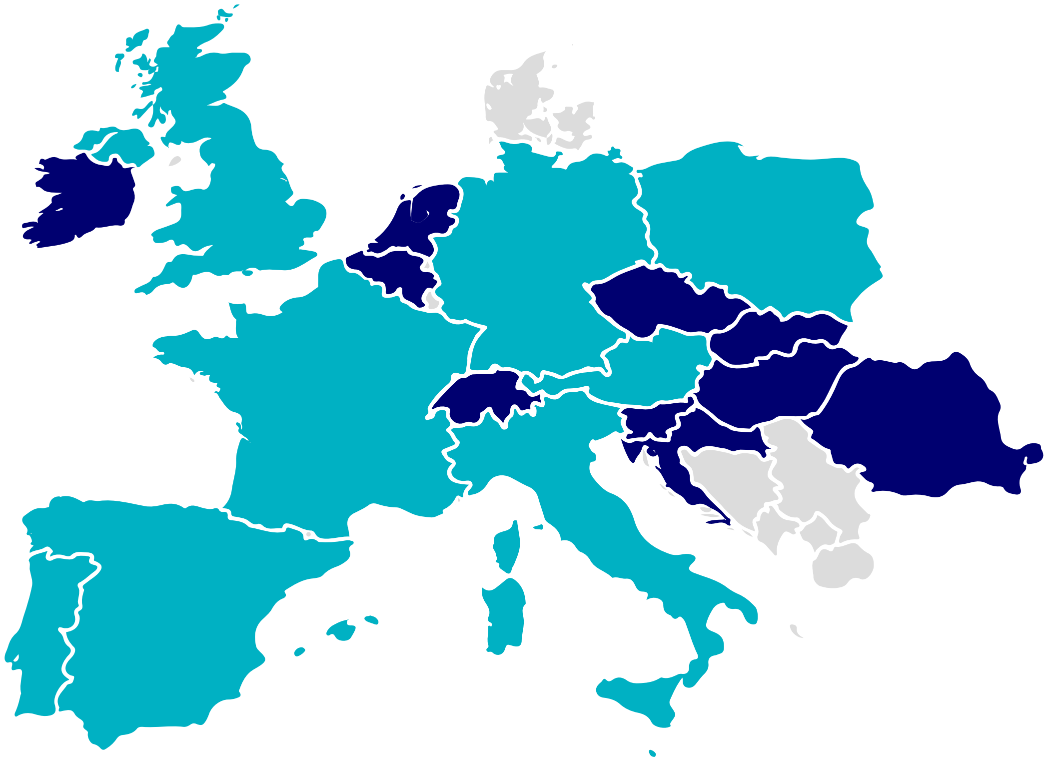
In EUR million	H1 2024	H1 2023	Change	Q2 2024	Q2 2023	Change
Total revenue	42,544	41,179	3.3%	21,290	20,393	4.4%
Recurring revenue	**40,102**	**38,396**	**4.4%**	**20,200**	**19,049**	**6.0%**
Share of recurring revenue	**94.3%**	**93.2%**	**–**	**94.9%**	**93.4%**	**–**
Non-recurring revenue	2,442	2,784	–12.3%	1,091	1,344	–18.8%
Share of non-recurring revenue	5.7%	6.8%	–	5.4%	6.6%	–
Blended ARPU (in EUR)	9.9	9.7	1.8%	9.9	9.6	3.1%
Number of seats (total)	665,022	640,573	3.8%	–	–	–
Adjusted EBITDA*	**5,509**	**3,394**	**62.3%**	**2,697**	**1,391**	**93.9%**

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

This is where **we** are

Every day, we provide companies in Europe with intuitive communication solutions that improve their business.

The Group operates as a telecommunications company in 18 European countries, and is represented by its own companies in Germany, Austria, the United Kingdom, Spain, Italy, France, Poland and Portugal.



NFON activities with local presence

NFON activities without local presence

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Letter from the Management Board

Dear shareholders and stakeholders,

In the first half of 2024, we continued to pursue our transformation towards sustainable and profitable corporate development. We were able to increase our operating profitability significantly and achieve solid revenue growth at the same time. The transformation process initiated in the previous year will continue to be implemented systematically, accompanied by comprehensive measures to increase efficiency and strengthen our operational excellence and technological innovation.

We increased our total revenue in the first six months of 2024 by 3.3% to EUR 42.5 million compared to the same period of the previous year. We are particularly pleased with the development of our high-margin, recurring revenue, which grew by 4.4% to EUR 40.1 million, corresponding to a share of 94.3% of total revenue. Not only were we able to acquire new customers and increase the number of installed seats to 665,022, we were also able to successfully position our expanded product portfolio (premium solutions). The significant increase in the adjusted EBITDA by around two million euros to EUR 5.5 million demonstrates our clear focus on greater efficiency.

As part of the transformation of NFON, we have implemented further key measures in 2024. At the beginning of the year, we reached an important milestone with the appointment of Andreas Wesselmann as a member of the Management Board and Chief Technology Officer (CTO), in order to strengthen and further expand on NFON's technological innovation. Under his leadership, we believe we will once again fulfil our role as an innovative pioneer of integrated cloud business communications in the European market. In the second quarter of 2024, we combined all revenue-related functions under one centralised management team by introducing the position of Chief Revenue Officer (CRO). This restructuring provides a view of the entire customer life cycle and ensures that all measures are aimed at maximising revenue at NFON. We were also able to finalise the merger of Deutsche Telefon Standard GmbH with NFON AG as planned in the second quarter. This step consolidates operations in the German market and enables us to leverage further synergies and generate efficiency gains in the future.

We have maintained the momentum of the first two quarters at the beginning of the second half of the year and provided further important impetus for NFON's innovative strength and future growth. With the acquisition of botario, a technology company specialising in advanced AI solutions for business communications, we are expanding our expertise and our portfolio of solutions in a rapidly changing market environment that is increasingly dominated by advancements in AI.

We are proud of the results and progress achieved since the beginning of the year and are therefore confirming our forecast for financial year 2024. However, none of this would have been possible without the commitment and dedication of our employees – we owe them our special thanks! We would also like to thank you, our shareholders, for the trust you have placed in us during this transformation phase. We look forward to you continuing to accompany us on our journey.

With best regards,

Patrik Heider
Chairman of the Management Board (CEO)

02 Interim Group management report

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Economic report

Important events

Andreas Wesselmann took over the position of Chief Technology Officer (CTO) of NFON AG and thus also the role of the second member of the Management Board alongside NFON AG's Chief Executive Officer (CEO) Patrik Heider with effect from 1 January. With the appointment of Merano Mettbach as Chief Revenue Officer in June 2024, NFON is continuing the transformation process it has embarked upon by creating this new position that unites sales and marketing.

On 7 March 2024, NFON published preliminary results for financial year 2023 based on preliminary, unaudited figures, reporting that the profitability targets for 2023 had been exceeded and that the profitable growth trajectory is set to continue in 2024, the year of transformation. The fully audited report for financial year 2023 was published on 25 April 2024. NFON published its results for the first quarter on 23 May 2024. All reports are available for download from the Investor Relations section on the NFON ⊕ website.

The Annual General Meeting for financial year 2023 was held on 28 June 2024. A large number of shareholders gathered at the Munich Stock Exchange to exchange information and views in person with NFON AG's Management Board. The share capital represented was 82.12%, and all items on the agenda were approved by a large majority. The voting results from the 2024 Annual General Meeting are available for download from the Investor Relations/Annual General Meeting section on the NFON ⊕ website.

The merger of Deutsche Telefon Standard GmbH (still managed as a wholly owned subsidiary as at 30 June 2024) with NFON AG, which was initiated at the end of April 2024 as part of the transformation process, was entered in the commercial register on 11 July 2024. Further information is available in the ⊕ supplementary report.

General economic conditions and industry environment

General economic development in Europe, Germany and key foreign markets

Following a slowdown in the global economy over the course of 2023, key factors enjoyed a moderate improvement again in the first half of 2024. According to the Kiel Institute for the World Economy (IfW), falling energy prices and the recovery in international trade helped the global economy regain its footing. The mood is brightening on the face of this thanks to rising real wages and the gradual easing of monetary policy. Despite these positive developments, however, there are still no signs of a sustained upturn. The global economy continues to be held back by the still relatively restrictive monetary policy of the central banks, which is leading to higher financing costs and putting a damper on the willingness to invest.

IfW Kiel anticipates moderate economic growth for the eurozone during the remainder of 2024. Overall, therefore, gross domestic product will increase by 1.2% in the current year.[1] In contrast, GDP growth of only 0.2% is forecast for Germany, NFON's domestic market, in 2024, which can be attributed to structural weaknesses and political uncertainties. The forecast for 2025 anticipates stronger growth of 1.1%.[2] Other important regions for NFON are Austria and the UK. According to the economic radar of the Austrian Economic Chambers, economic growth of 0.3% is expected for Austria in 2024.[3] In contrast, the Organisation for Economic Co-operation and Development (OECD) expects growth of 0.4% in 2024 and 1.0% in 2025 for the UK.[4]

Presentation of the company's performance

In EUR million	H1 2024	H1 2023	Change	Q2 2024	Q2 2023	Change
Revenue	42.5	41.2	3.3%	21.3	20.4	4.4%
of which recurring	40.1	38.4	4.4%	20.2	19.0	6.4%
of which non-recurring	2.4	2.8	−12.3%	1.1	1.3	−16.1%
Cost of materials	−6.6	−6.6	−0.1%	−3.2	−3.2	−0.7%
Gross profit	**35.9**	**34.6**	**3.9%**	**18.1**	**17.2**	**5.1%**
Other operating income	0.3	0.5	−49.7%	0.0	0.3	−87.1%
Staff costs	−17.4	−18.3	−4.8%	−8.8	−9.5	−7.0%
Other operating expenses	−13.7	−14.3	−4.0%	−7.0	−7.4	−5.3%
EBITDA	**5.0**	**2.4**	**–**	**2.3**	**0.5**	**–**
Adjusted EBITDA	**5.5**	**3.4**	**62.3%**	**2.7**	**1.4**	**92.7%**
Depreciation, amortisation and write-downs	−3.9	−3.5	12.5%	−2.0	−1.8	8.8%
EBIT	**1.1**	**−1.1**	**–**	**0.7**	**−1.2**	**–**
Net interest expense	−0.1	−0.1	−16.6%	−0.0	0.0	–
Income tax expense	−0.5	0.0	–	−0.3	−0.0	–
Deferred tax income	0.0	0.0	–	−0.0	0.0	–
Consolidated result	**0.5**	**−1.3**	**–**	**−0.0**	**−5.3**	**−99.9%**

1 https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/277fbd37-1384-4b1c-b36f-bb4ea65009bc-KKB_114_2024-Q2_Welt_DE_V2.pdf
2 https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/e44ecba0-cc19-4098-b85f-ee313b268d0f-KKB_115_2024-Q2_Deutschland_DE_V1.pdf
3 https://www.wko.at/oe/news/konjunkturradar-2024-6.pdf
4 https://commonslibrary.parliament.uk/research-briefings/sn02784/

Assets, liabilities, financial position and financial performance

Financial performance

NFON continued its growth trajectory in the first half of 2024. Thanks to the increase in the share accounted for by high-margin recurring revenue, gross profit rose faster than revenue.

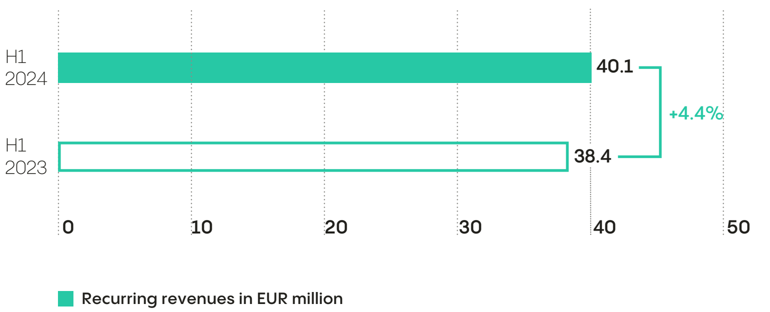
As the company continues to pursue its strategy of sustainable profitable growth, staff costs and other operating expenses were reduced compared to the same period in the previous year. With regard to the staff costs, this involves, in particular, the areas of sales and support; in terms of other operating expenses, it relates particularly to the cost types marketing, IT costs, freelancers and general administrative costs. Staff costs and other operating expenses include extraordinary items in the financial year to date of EUR 0.5 million compared with EUR 0.8 million in the same period in the previous year. Further information can be found in the section on ⊕ income and expense items.

Increased revenue, a higher gross profit and reductions in the areas of staff costs and other operating expenses meant that unadjusted EBITDA at EUR 5.0 million and adjusted EBITDA at EUR 5.5 million were clearly positive in the first half of 2024 and have improved since the same period in the previous year. For the reasons mentioned above, EBIT also improved to EUR 1.0. million.

Consolidated revenue and consolidated seat development

Revenue increased moderately by 3.3% year-on-year. NFON succeeded in increasing revenue by acquiring new customers, activating additional seats within the existing customer base, especially in Germany, Austria and the UK, and offering existing customers extended products (Premium Solutions). This has been offset by the significant year-on-year reduction in revenue in the hardware segment.

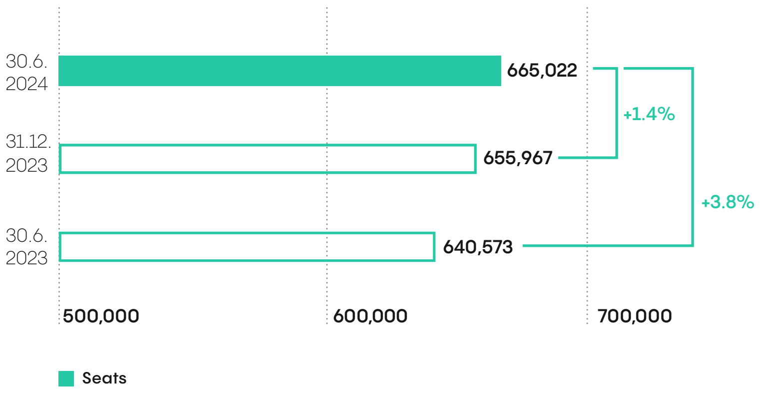
High proportion of recurring revenue



The recurring revenue essentially consists of the monthly payment of a fixed licence fee per seat plus a fixed or volume-dependent fee for the use of voice minutes per seat or SIP trunk. Non-recurring revenue includes revenue from the sale of end devices (telephones, soft clients for PCs and smartphones) and the one-off activation fee per seat upon initial connection.

Recurring revenue in particular showed a positive trend in the first half of 2024, increasing at a faster rate (4.4%) than total revenue in the reporting period compared to the same period in the previous year. The decrease in non-recurring revenue compared to the same period in the previous year (–12.3%) is due primarily to the significant decline in hardware sales, caused in part by a fall in demand coupled with a competitive market environment.

Total number of seats grows



NFON succeeded in acquiring new customers in the first half of 2024 and thus increasing the number of seats by 3.8% compared to the same period in the previous year. The trend in seats was positive, but nevertheless fell short of expectations. The consistently low cancellation rate (churn rate) of around 0.5% per month (H1 2023 0.7%) underlines the quality of the company's products and services and guarantees continuous recurring income.

Revenue and seat development by segment
The NFON Group comprises a total of nine operating segments. The breakdown by segment corresponds to NFON's individual national companies, which in financial year 2024 included two companies from Germany (NFON AG, Deutsche Telefon Standard 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.) and Portugal (NFON Developments Lda.).

Of these, eight are operating segments that conduct external sales, and they are presented separately as reportable segments below. The subsidiary in Portugal is used exclusively to provide development services (software) and does not generate revenue outside the Group on an ongoing basis. Apart from the German stock corporation, which is also responsible for research and development, the other subsidiaries essentially operate as independent sales companies in their domestic markets. Deutsche Telefon Standard GmbH, however, continues to provide development services for the maintenance of its own products and, since 2021, for the NFON product portfolio.

The revenue generated by the NFON Group as a whole with external customers in the first half of the year is broken down as follows for the individual national companies and is reported in accordance with IFRS accounting standards:

NFON AG's recurring revenue increased from EUR 38.4 million to EUR 40.1 million. Significantly lower hardware sales had a dampening effect on the development of non-recurring revenue, which fell by a total of EUR 0.3 million.

At Deutsche Telefon Standard GmbH, revenue in connection with PBX and SIP trunk increased, in particular.

The revenue segments in the UK (+9.1%), Austria (+6.5%) and Poland (+33.4%) recorded above-average growth.

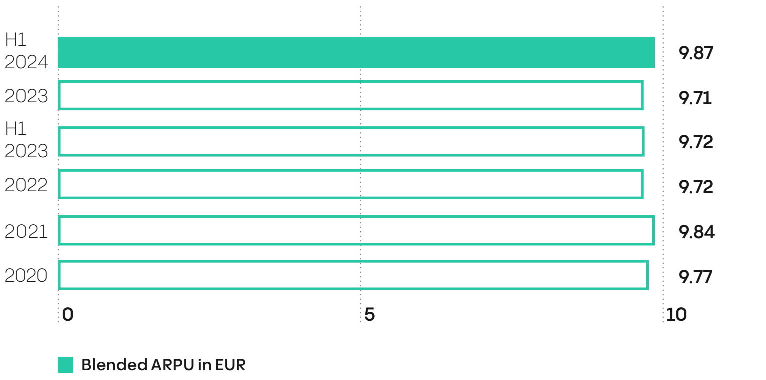
Revenue at NFON Italia S.r.l. increased only slightly by 1.7% to EUR 0.6 million. The recurring revenue increased by 21.7%. However, low hardware sales also put a brake on the development of this revenue.

Business activities in the NFON Iberia SL and NFON France SAS segments will continue at a low level in 2024. The revenue of NFON Iberia SL decreased by 6.9%, whereas NFON France SAS was able to increase revenue by 15.4%.

Seats in segments

NFON AG	403,521	389,480
Deutsche Telefon Standard GmbH	82,305	80,748
NFON GmbH	73,909	67,762
NFON UK Ltd.	80,833	80,523
NFON Iberia SL	4,768	5,120
NFON Italia S.r.l.	10,798	8,588
NFON France SAS	4,133	3,650
NFON Polska Sp. z o.o.	4,755	4,702
Total	**665,022**	**640,573**

Stable blended ARPU



Development of average revenue per user

NFON records the average recurring revenue across all services, sales channels and countries per user or seat, known as the blended average revenue per user (ARPU), in order to measure the operating performance per seat. The average number of voice minutes sold per seat has a significant influence on blended ARPU. These have fallen slightly compared to the figures for 2020 and 2021 during the Covid-19 pandemic. In order to stabilise blended ARPU, prices were increased for selected products and customer cohorts in the third quarter of 2022 and the second quarter of 2024. As a result of this measure, blended ARPU in the first half of 2024 was higher than in the first half of 2023 despite the effect of the trend in voice minutes.

Income and expense items

Other operating income

Other operating income decreased to EUR 0.3 million as at 30 June 2024 (June 2023: EUR 0.5 million) due, in particular, to the lower number of employees and the resulting reduction in benefits in kind (company bike, private use of company cars).

Cost of materials

In the first half of 2024, the cost of materials remained constant at EUR 6.6 million compared to the same period in the previous year. A further decline in hardware sales resulted in a reduction in the cost of materials, while rising revenue led to an increase, meaning that these two effects cancelled each other out in absolute terms. Overall, the cost of materials ratio fell compared to the previous year to 15.5% (prior-year period: 16.0%).

Staff costs
Compared to the previous year, the average number of employees (natural persons) fell to 412 in the reporting year (previous year: 451). As a result, staff costs decreased to EUR 17.4 million (previous year: EUR 18.3 million).

In the reporting period, expenses of EUR 0.1 million were recognised as a result of the merger and integration of Deutsche Telefon Standard GmbH. In addition, expenses of EUR 40 thousand (previous year: EUR 13 thousand) were recognised in connection with an employee share option programme.

Adjusted for these one-off effects (extraordinary items), staff costs fell year-on-year to EUR 17.3 million (prior-year period: EUR 17.6 million). This corresponds to an adjusted ratio of staff costs to revenue of 40.7% (prior-year period: 42.7%).

Other operating expenses including marketing and selling expenses
We were able to further reduce other operating expenses in the first half of 2024 from EUR 14.3 million (30 June 2023) to EUR 13.7 million. This is particularly evident in the cost types marketing, IT costs and freelancers. On the other hand, legal and consulting costs increased due to M&A activities, while commission payments to NFON sales partners rose due to the growth in revenue. The ratio of selling expenses to revenue in the first half of 2024 was 14.1%, compared to 14.2% in the same period in the previous year.

The following other operating expenses were classified as one-off effects in the first half of 2024: EUR 0.3 million for M&A activities and EUR 0.1 million for the merger and integration of Deutsche Telefon Standard GmbH.

Adjusted for these one-off effects, other operating expenses declined to EUR 13.4 million in the first half of 2024 (prior-year period: EUR 14.0 million). Measured against revenue, this corresponds to an adjusted ratio of 31.4%, compared to 34.1% in the same period in the previous year.

Depreciation and amortisation
Depreciation and amortisation increased to EUR 3.9 million (prior-year period: EUR 3.5 million) in the first half of 2024. The increase can be attributed in particular to higher amortisation on internally generated intangible assets.

Net interest income
Net interest expenses (interest and similar expenses less interest and similar income) totalled EUR 0.1 million in the first half of 2024 (prior-year period: EUR 0.1 million). Higher interest expenses for building and vehicle leases were offset by higher interest income from fixed-term deposits.

Income tax expense/income
The income tax expense of EUR 0.5 million is essentially made up of current tax expenses from income and earnings.

In EUR million	H1 2024	H1 2023	Change	Q2 2024	Q2 2023	Change
EBITDA	**5.0**	**2.4**	**–**	**2.3**	**0.5**	**–**
Adjustments in staff costs:						
Stock options/ESOPS	0.0	0.0	–	–0.0	0.0	–
Merger and integration of Deutsche Telefon Standard GmbH (100% subsidiary)	0.1	0.0	–	0.0	0.0	–
Focus on Group-wide activities	0.0	0.2	–	0.0	0.0	–
Reorganisation of top management	0.0	0.6	–	0.0	0.6	–
Adjustments to other operating expenses:						
Expenses for M&A	0.3	0.0	–	0.3	0.0	–
Integration of Deutsche Telefon Standard GmbH (100% subsidiary)	0.1	0.0	–	0.1	0.0	–
Administrative expenses	0.0	0.3	–	0.0	0.3	–
Total non-recurring effects	**0.5**	**1.0**	**–50.0%**	**0.4**	**0.8**	**–51.1%**
Adjusted EBITDA	**5.5**	**3.4**	**62.3%**	**2.7**	**1.4**	**93.9%**
EBIT	**1.1**	**–1.1**	**–**	**0.3**	**–1.2**	**–**
Consolidated result	**0.5**	**–1.3**	**–**	**–0.0**	**–1.3**	**–99.7%**
Adjusted consolidated result	**1.0**	**–0.3**	**–**	**0.4**	**–0.4**	**–**

Increased sales, a higher gross profit and cost reductions in the areas of staff costs and other operating expenses meant that unadjusted EBITDA at EUR 5.0 million and adjusted EBITDA at EUR 5.5 million were clearly positive in the first half of 2024 and have improved since the first half of 2023. For the reasons mentioned above, EBIT also improved to EUR 1.1 million.

Assets, liabilities and financial position and investments

The decrease in intangible assets to EUR 34.2 million as at 30 June 2024 (31 December 2023: EUR 35.4 million) resulted from the higher depreciation and amortisation on the development projects still capitalised as at 31 December 2023 in connection with new products or new features for existing products. The capitalised costs were EUR 12.8 million (31 December 2023: EUR 13.4 million) for products in development or for which development has already been completed and EUR 5.1 million (31 December 2023: EUR 5.5 million) for Business Support System (BSS) customisation as at the end of the reporting period on 30 June 2024.

As at 30 June 2024, investments were made primarily in development activities, some of which were capitalised at an amount of EUR 1.3 million (31 December 2023: EUR 4.3 million). These are recognised under intangible assets. The investments made in property, plant and equipment in the reporting period totalling EUR 0.3 million were made primarily in IT infrastructure.

Property, plant and equipment declined by EUR 0.9 million to EUR 10.7 million as at 30 June 2024 compared to 31 December 2023 (EUR 11.6 million). This development is due in particular to depreciation on hardware purchases recognised in the reporting period.

Trade receivables increased as against 31 December 2023 by EUR 1.2 million to EUR 10.2 million due to reporting date effects.

Bank balances increased as against 31 December 2023 by EUR 1.3 million to EUR 13.5 million as at 30 June 2024.

Equity increased by EUR 0.7 million as against 31 December 2023 (EUR 47.2 million) to EUR 47.9 million as at 30 June 2024. This was due in particular to the positive net result for the period of EUR 0.5 million. As against 31 December 2023, the foreign currency translation reserve increased by EUR 0.2 million as at the end of the reporting period.

Trade payables increased slightly from EUR 5.0 million as at 31 December 2023 to EUR 5.1 million as at 30 June 2024 due to reporting date effects.

As at 30 June 2024, non-current and current financial liabilities totalled EUR 9.4 million (31 December 2023: EUR 9.9 million).

A money market credit facility agreement in the amount of EUR 5.0 million that runs until 30 November 2026 was entered into with the Bank für Tirol und Vorarlberg (BTV) on 22 December 2021. No funds from this credit facility have been utilised as at 30 June 2024.

Operating cash flow increased as at 30 June 2024 to EUR +3.7 million (30 June 2023: EUR +2.3 million). This can mainly be attributed to the positive trend in the earnings situation. Earnings before taxes improved from EUR –1.3 million as at 30 June 2023 to EUR +0.5 million as at 30 June 2024. The increase in other receivables and assets resulted in a reduction in the cash flow of EUR 0.8 million. The decline in other provisions of EUR 0.3 million was related primarily to the further utilisation of the provisions recognised in the previous year for the realignment of top management, which had a negative impact on operating cash flow. NFON recorded income of EUR 0.2 million (previous year: EUR 0.2 million) from changes in foreign exchange rates in the reporting period, which mainly involved the translation of GBP and EUR at the UK subsidiary. The income there comes primarily from the measurement of intercompany loans and intercompany settlements.

The net cash used in investing activities of around EUR –1.6 million resulted from investments in intangible assets totalling EUR 1.3 million, which can be attributed to development projects. In addition, investments totalling EUR 0.3 million were made in property, plant and equipment, which mainly consisted of IT infrastructure and hardware.

The negative cash flow from financing activities of EUR 0.8 million can be attributed mainly to the repayment of lease liabilities.

Risks and opportunities

Opportunity and risk management

NFON AG explained its risks and opportunities in detail in the ⊕ Annual Report 2023. At the time this report was published, no changes had arisen compared to the 2023 report on risks and opportunities.

Supplementary report

There were no events after the balance sheet date that had a material impact on the earnings, financial and asset position as at 30 June 2024:

Merger of Deutsche Telefon Standard GmbH completed

The merger of Deutsche Telefon Standard GmbH with NFON AG, which was initiated at the end of April 2024 as part of the transformation process, was entered in the commercial register on 11 July 2024. With this, the merger has been successfully completed and NFON AG is the full legal successor of Deutsche Telefon Standard GmbH.

The merger and integration of Deutsche Telefon Standard GmbH represents another milestone for NFON on its path to sustained profitable growth. This step will allow NFON to strengthen its business in the German market and to create a standardised product range that will enable the company to leverage further synergies and generate efficiency gains in the future.

NFON AG acquires botario GmbH, a specialist in AI-based communication solutions

NFON AG acquires Bremen-based botario GmbH with effect from 21 August 2024. botario GmbH specialises in artificial intelligence (AI) for communication solutions. With a strong focus on language processing and automation, botario offers customised AI platforms that help companies optimise their business processes and automate their communication workflows. The acquisition of botario GmbH is part of NFON's transformation and strengthens its focus on becoming a provider of AI-based business communication solutions. The purchase price for botario GmbH was in the low tens of millions of euros (cash and debt-free), with a partial cash payment and a three-year earn-out period agreed upon signing, which is linked to the future development of the company being acquired. The parties have agreed not to disclose further details of the purchase agreement. In 2023, botario GmbH generated sales of around EUR 2.1 million with an EBITDA margin of around 30%.

Forecast

The forecast is based on the information available as at 30 June 2024 and takes into account the opportunities and risks presented for the NFON Group. The opportunities and risks presented for the NFON Group may result in deviations between the planning data and the figures actually achieved at the end of the year. Deviations are also possible as a result of the assumptions regarding general economic conditions. Please also refer to the explanations in the sections, General economic conditions and industry environment, Risks and opportunities, and Forecast in the ⊕ Annual Report as at 31 December 2023. These remained valid without any changes as at 30 June 2024.

Expected development of key performance indicators

We continue to expect our most important performance indicators to develop as follows in 2024:

Outlook 2024

	2023 reported	2024 outlook
Growth rate recurring revenues	4.8%	In the mid to upper single-digit percentage range
Share of recurring revenue	93.7%	At least 90%
Adjusted EBITDA	EUR 8.4 million	EUR 10–12 million

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Consolidated statement of financial position

as at 30 June 2024

In EUR thousand	30.06.2024	31.12.2023
Non-current assets		
Property, plant and equipment	10,669	11,630
Intangible assets	34,221	35,433
Investments in associates	680	680
Deferred tax assets	825	823
Other non-current, non-financial assets	691	691
Total non-current assets	**47,086**	**49,257**
Current assets		
Inventories	116	114
Trade receivables	10,197	8,966
Current other financial assets	725	724
Current other non-financial assets	2,358	2,564
Cash and cash equivalents	13,532	12,281
Total current assets	**26,929**	**24,650**
Total assets	**74,015**	**73,907**

In EUR thousand	30.06.2024	31.12.2023
Equity		
Issued capital	16,561	16,561
Capital reserves	109,193	109,153
Loss carryforward	–78,668	–79,206
Currency translation reserve	827	647
Total equity	**47,912**	**47,155**
Non-current liabilities		
Non-current financial liabilities	7,790	8,483
Other non-current, non-financial liabilities	504	563
Deferred tax liabilities	2,176	2,176
Total non-current liabilities	**10,470**	**11,222**
Current liabilities		
Trade payables	5,132	4,963
Current provisions	2,777	3,118
Current income tax liabilities	743	812
Current financial liabilities	1,654	1,418
Current other non-financial liabilities	5,326	5,219
Total current liabilities	**15,632**	**15,530**
Total equity and liabilities	**74,015**	**73,907**

Consolidated income statement and consolidated statement of comprehensive income

for the period from 1 January to 30 June 2024

In EUR thousand	H1 2024	H1 2023	Q2 2024	Q2 2023
Revenue	42,544	41,179	21,298	20,393
Other operating income	250	451	36	279
Cost of materials	–6,596	–6,602	–3,214	–3,236
Staff costs	–17,448	–18,332	–8,847	–9,508
Depreciation, amortisation and impairments	–3,938	–3,521	–1,958	–1,772
Other operating expenses	–13,727	–14,283	–7,004	–7,393
Impairment losses on trade and other receivables	59	–13	40	10
Other tax expense	–46	–6	–4	–3
Income from continuing operations before net interest income and income taxes	**1,098**	**–1,126**	**348**	**–1,230**
Interest and similar income	137	44	67	38
Interest and similar expenses	–220	–128	–110	–70
Net interest income	**–83**	**–84**	**–43**	**–32**
Earnings before income taxes	**1,015**	**–1,209**	**305**	**–1,262**
Income taxes	–483	–37	–308	–12
Deferred tax income	6	–11	–1	–11
Consolidated result	**538**	**–1,257**	**–4**	**–1,285**
Attributable to:				
Shareholders of the parent company	538	–1,257		–1,285
Non-controlling interests	0	0	0	0
Other comprehensive income (will be reclassified to profit or loss)	179	151	72	104
Taxes on other comprehensive income (will be reclassified to profit or loss)	0	0	0	0
Other comprehensive income after taxes	**179**	**151**	**72**	**104**
Total comprehensive income	**717**	**–1,107**	**68**	**–1,181**
Attributable to:				
Shareholders of the parent company	717	–1,107	72	–1,181
Non-controlling interests	0	0	0	0
Net income per share, basic (in EUR) (py. Net loss)	**0.03**	**–0.08**	**0.00**	**–0.08**
Net income per share, diluted (in EUR) (py. Net loss)	**0.03**	**–0.08**	**0.00**	**–0.08**

Consolidated cash flow statement

for the period from 1 January to 30 June 2024

In EUR thousand	H1 2024	H1 2023
1. Cash flow from operating activities		
Profit/loss after taxes	538	–1,257
Adjustments to reconcile profit (loss) to cash provided		
Income taxes	477	48
Interest income (interest expenses), net	83	84
Amortisation of intangible assets and depreciation of property, plant and equipment	3,938	3,521
Impairment losses on trade and other receivables	–59	13
Equity-settled share-based payment transactions	40	13
Other non-cash income (expenses)	0	31
Changes in:		
Inventories	–2	–22
Trade and other receivables	–968	–2,797
Trade payables and other liabilities	220	2,182
Provisions	–340	462
Income (expenses) from sales of fixed assets	6	0
Interest paid	96	–35
Income taxes received/paid, net	–558	–52
Effects of changes in foreign exchange rates	179	151
Cash flow from operating activities	**3,651**	**2,340**

In EUR thousand	H1 2024	H1 2023
2. Cash flow from investing activities		
Proceeds from the disposal of property, plant and equipment and intangible assets	6	0
Payments for investments in property, plant and equipment	–346	–253
Payments for investments in intangible assets	–1,306	–3,188
Cash flow from investing activities	**–1,646**	**–3,441**
3. Cash flow from financing activities		
Payments in connection with leases	–774	–1,024
Other proceeds/payments	1	–3
Cash flow from financing activities	**–773**	**–1,027**
Change in cash and cash equivalents	**1,232**	**–2,129**
Effects of changes in exchange rates on cash held	19	8
Cash and cash equivalents at the beginning of the period	**12,281**	**13,218**
Cash and cash equivalents at the end of the period	**13,532**	**11,097**

Consolidated statement of changes in equity

as at 30 June 2024

	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 01.01.2024	**16,561**	**109,153**	**647**	**–79,206**	**47,155**	**0**	**47,155**
Total comprehensive income for the period							
Profit (loss) in the period	0	0	0	538	538	0	538
Other comprehensive income for the period		0	179	0	179	0	179
Total comprehensive income for the period	**0**	**0**	**179**	**538**	**717**	**0**	**717**
Transactions with owners of the company							
Equity-settled share-based payment transactions	0	40	0	0	40	0	40
Total transactions with owners of the company	**0**	**40**	**0**	**0**	**40**	**0**	**40**
As at 30.06.2024	**16,561**	**109,193**	**827**	**–78,668**	**47,912**	**0**	**47,912**

Consolidated statement of changes in equity

as at 31 December 2023

	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 01.01.2023	**16,561**	**109,086**	**558**	**–78,404**	**47,801**	**0**	**47,801**
Total comprehensive income for the period							
Profit (loss) in the period	0	0	0	–802	–802	0	–802
Other comprehensive income for the period		0	89	0	89	0	89
Total comprehensive income for the period	**0**	**0**	**89**	**–802**	**–713**	**0**	**–713**
Transactions with owners of the company							
Equity-settled share-based payment transactions	0	67	0	0	67	0	67
Total transactions with owners of the company	**0**	**67**	**0**	**0**	**67**	**0**	**67**
As at 31.12.2023	**16,561**	**109,153**	**647**	**–79,206**	**47,155**	**0**	**47,155**

Selected notes

Contents

1. Accounting principles

Overview of the company

NFON is a provider of voice-centred business communication in Europe, counts more than 55,000 companies in 18 European countries among its customers and is represented by its own companies in Germany, Austria, the United Kingdom, Spain, Italy, France, Poland and Portugal. In addition, NFON has a large network of partners through which sales in other countries are organised.

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

Condensed consolidated interim financial statements

The condensed consolidated interim financial statements for the first half of the year 2024 with selected notes present the business activities of the NFON Group (hereinafter: "we", "NFON", "the company", "the Group", "the NFON Group") for the period from 1 January 2024 to 30 June 2024. The condensed interim consolidated financial statements have been prepared in accordance with the provisions of IAS 34, i.e. the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), taking into account the interpretation of the International Financial Reporting Interpretations Committee (IFRIC), and are generally based on the same accounting policies that were applied in the consolidated financial statements as at 31 December 2023. However, the condensed consolidated interim financial statements do not contain all the information and disclosures required in the consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2023.

The condensed interim consolidated financial statements as at 30 June 2024 were neither audited nor reviewed by the Group's auditor, KPMG AG, Wirtschaftsprüfungsgesellschaft, Munich. They were approved for publication by the Management Board on 21 August 2024.

Currency

The interim consolidated financial statements are prepared in euros (EUR), which is the functional currency and reporting currency of NFON AG. Unless otherwise stated, all figures in the consolidated financial statements and the accompanying notes have been rounded to the nearest thousand euros (EUR thousand) in line with commercial practice. Rounding differences can therefore occur in the tables in the notes to the consolidated financial statements.

Miscellaneous

The consolidated statement of financial position is broken down into current and non-current assets and current and non-current liabilities in accordance with IAS 1. The consolidated income statement is prepared using the nature of expense method.

For further information on the specific accounting policies applied, please refer to the consolidated financial statements of NFON AG as at 31 December 2023.

All assumptions and estimates are based on premises that were valid as at the balance sheet date. The actual values may deviate from the assumptions and estimates made if the aforementioned general conditions develop contrary to expectations as at the balance sheet date.

Comparative information

The interim consolidated financial statements contain amounts for the period from 1 January to 30 June 2024 and as at 30 June 2024 in comparison to the period from 1 January 2023 to 30 June 2023 and as at 30 June 2023. The values in the consolidated balance sheet as at 30 June 2024 were compared with those in the consolidated balance sheet as at the last reporting date, 31 December 2023.

Seasonal and other influences on business activities

NFON AG's business model 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. Furthermore, the business model is based, to a very large extent, on monthly recurring revenue.

2. Effects of new accounting standards and interpretations

This half-year financial report uses the same accounting policies as the consolidated financial statements as at 31 December 2023.

Standards to be applied for the first time in the reporting period had no significant impact on the Group's accounting policies. There was also no need for retroactive adjustments.

NFON generally applies new standards for the first time from the date of the first mandatory application.

3. Intangible assets

The intangible assets as at 30 June 2024 amounted to EUR 34,221 thousand (31 December 2023: EUR 35,433 thousand).

In connection with the development of new products or new features for existing products, as at 30 June 2024 development costs of EUR 12,812 thousand (31 December 2023: EUR 13,410 thousand) were recognised under intangible assets. In the reporting period, EUR 1,228 thousand was recognised as additions.

4. Interest-bearing debt

The financial liabilities include the following items:

Interest-bearing liabilities

In EUR thousand	30.06.2024	31.12.2023
Non-current financial liabilities		
Lease liabilities	7,790	8,483
Total non-current financial liabilities	**7,790**	**8,483**
Current financial liabilities		
Lease liabilities	1,654	1,418
Total current financial liabilities	1,654	1,418
Total financial liabilities	**9,444**	**9,901**

Lease liabilities

The current lease liabilities relate to leased office space with EUR 1,331 thousand (31 December 2023: EUR 1,068 thousand), leased vehicles with EUR 303 thousand (31 December 2023: EUR 331 thousand) and leased equipment and bicycles with EUR 20 thousand (31 December 2023: EUR 19 thousand). The non-current lease liabilities relate to leased office space with EUR 7,453 thousand (31 December 2023: EUR 8,064 thousand), leased vehicles with EUR 305 thousand (31 December 2023: EUR 379 thousand) and leased equipment and bicycles with EUR 34 thousand (31 December 2023: EUR 40 thousand).

Credit facility

On 22 December 2021, a money market credit facility agreement was concluded with the Bank für Tirol und Vorarlberg (BTV) in the amount of EUR 5,000 thousand with a term until 30 November 2026. The interest rate is based on matched-term (related to the time of utilisation) EURIBOR plus a margin. From 1 July 2022, the margin has been based on the EBITDA of the previous financial year and is between 2.25% and 3.0%. In the event that the EURIBOR is below zero, a EURIBOR of zero is considered to be agreed. A total of 35% of the applicable margin must be paid as the commitment fee for the amount of the loan not utilised. NFON must comply with certain key financial figures according to the loan agreement. No funds from this credit facility had been utilised as at 30 June 2024.

5. Equity

Equity increased as at 30 June 2024 compared to as at 31 December 2023 by EUR 757 thousand to EUR 47,912 thousand. This is particularly due to the positive result of EUR 538 thousand for the period.

Due to existing share-based payment agreements, the capital reserve increased by EUR 40 thousand. The corresponding expense was recognised in staff costs. The reserve for currency translation increased by EUR 179 thousand as at balance sheet date compared to 31 December 2023.

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 contain any information on fair value for financial assets and liabilities that were not measured at fair value if the carrying amount represents a reasonable approximation of fair value.

30.06.2024	Amortised cost			Fair value			
In EUR thousand		Carrying amount	Total carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade receivables		10,197	10,197	–	–	–	–
Other financial assets*		725	725	–	–	–	–
Cash and cash equivalents		13,532	13,532	–	–	–	–
Total financial assets not measured at fair value		**24,455**	**24,455**	**–**	**–**	**–**	**–**
Financial liabilities not measured at fair value				**–**	**–**	**–**	**–**
Trade payables		5,132	5,132	–	–	–	–
Lease liabilities (current and non-current)*		9,444	9,444	–	–	–	–
Total financial liabilities not measured at fair value		**14,576**	**14,576**	**–**	**–**	**–**	**–**

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

31.12.2023	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		8,966	8,966	–	–	–	–
Other financial assets*		724	724	–	–	–	–
Cash and cash equivalents		12,281	12,281	–	–	–	–
Total financial assets not measured at fair value		**21,971**	**21,971**	**–**	**–**	**–**	**–**
Financial liabilities not measured at fair value				**–**	**–**	**–**	**–**
Trade payables		4,963	4,963	–	–	–	–
Lease liabilities (current and non-current)*		9,901	9,901	–	–	–	–
Total financial liabilities not measured at fair value		**14,864**	**14,864**	**–**	**–**	**–**	**–**

* 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 – no interest expense calculated using the effective interest method in connection with financial liabilities measured at amortised cost were included in the financial result.

Valuation techniques for determining the fair value

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

Transfers between hierarchy levels

No transfers were made between the individual hierarchy levels within the first six months 2024.

Financial risk management

The Annual Report for the year 2023 and the interim management report for the first half of the year 2024 mention all risks that could have a significant negative impact on the business, net assets, financial position, results of operations and reputation of the NFON Group.

7. Contingent liabilities and obligations

There have been no significant changes compared to 31 December 2023.

8. Revenue

The following table breaks down revenue by segment into recurring and non-recurring products/services. As in the previous year, all revenue in the reporting period results from contracts with customers.

In EUR thousand	H1 2024	H1 2023
Product/service		
Recurring revenue		
NFON AG	22,612	22,158
Deutsche Telefon Standard GmbH	8,452	8,133
NFON GmbH	3,983	3,604
NFON UK Ltd.	3,853	3,475
NFON Iberia SL	229	249
NFON Italia S.r.l.	561	439
NFON France SAS	186	166
NFON Polska Sp. z o.o.	227	171
Consolidated recurring revenue	**40,102**	**38,395**
Non-recurring revenue		
NFON AG	1,186	1,098
Deutsche Telefon Standard GmbH	201	422
NFON GmbH	574	674
NFON UK Ltd.	386	400
NFON Iberia SL	4	1
NFON Italia S.r.l.	56	168
NFON France SAS	18	11
NFON Polska Sp. z o.o.	16	10
Non-recurring revenue by segment	**2,442**	**2,784**
Non-recurring consolidated revenue	**2,442**	**2,784**
Consolidated revenue	**42,544**	**41,179**

The increase in recurring revenue in the first half of 2024 in contrast to the development of non-recurring revenue is due mainly to the expanded customer base compared to the same period of the previous year. Recurring revenue essentially consists of the monthly payment of a fixed licence fee per seat plus a fixed or volume-based fee for the use of voice telephony by the customer base on seats and SIP trunks. Non-recurring revenue includes revenue from the sale of end devices (telephones, soft clients for PCs and smartphones) and the one-off activation fee per extension upon initial connection.

The contractual assets to be recognised in connection with IFRS 15 (30 June 2024: EUR 55 thousand; 31 December 2023: EUR 56 thousand) and contractual liabilities (30 June 2024: EUR 237 thousand; 31 December 2023: EUR 352 thousand) are recognised under other non-financial assets (current) or other non-financial liabilities (current).

9. Other operating income

Other operating income EUR 250 thousand (H1 2023: EUR 451 thousand) includes EUR 183 thousand (H1 2023: EUR 231 thousand), primarily income in connection with offset other benefits in kind by employees.

10. Other operating expenses

In EUR thousand	H1 2024	H1 2023
Other operating expenses		
Sales commission	5,983	5,832
Marketing expenses	1,680	1,934
IT expenses	1,495	1,745
Consulting expenses	1,274	1,077
Other staff costs	1,057	1,258
General administration	1,017	1,149
Rental costs	628	617
Travel expenses	248	319
Support costs	226	191
Currency translation expenses	118	162
Total other operating expenses	**13,727**	**14,283**

The increase in sales commissions from EUR 5,832 thousand in the first half of 2023 to EUR 5,983 thousand in the reporting period is due primarily to the higher sales volume in the first half of 2024 compared to the same period of the previous year.

11. Share-based payments

NFON issued share options to the members of the Management Board of NFON AG (Group 1) and to managing directors of affiliated companies (Group 2) as well as to selected employees of NFON AG (Group 3) and affiliated companies (Group 4) (share option plan 2018, share option plan 2021 and share option plan 2023) in the reporting year and in previous years.

The following distribution applies to the share option plan 2023 (in accordance with the resolution of the Annual General Meeting on 30 June 2023): The beneficiaries of Group 1 together receive a maximum of 250,000 of the share options and the resulting subscription rights. The beneficiaries of Group 2 receive a maximum of 100,000 of the share options and the resulting subscription rights.

In previous years, share option plans (adopted by the Annual General Meetings on 9 April 2018 – "Share option plan 2018", on 24 June 2021 – "Share option plan 2021" and on 30 June 2023 – "Share option plan 2023") were set up, on the basis of which employees in key positions in the Group were allocated share options.

The costs from the granting of equity instruments and share appreciation rights to employees are measured in the Group at the fair value of these equity instruments and share appreciation rights at the time they are granted or as at the balance sheet date. To estimate the fair value of equity instruments and share appreciation rights, suitable valuation techniques are determined; this depends on the conditions of granting. It is also necessary to determine the expected option term, volatility and dividend yield, the fluctuation of the group of beneficiaries and other assumptions.

A gross total of 1,512,729 (30 June 2023: 1,119,229) share options were granted as at the reporting date of 30 June 2024. In this context, EUR 40 thousand (previous year: EUR 13 thousand) was recognised in staff costs (offsetting item: capital reserves) in the reporting period.

12. Income taxes

The tax expense of EUR 477 thousand for the first half of 2024 (H1 2023: EUR 48 thousand) was calculated in accordance with IAS 34 on the basis of the best possible estimate of the average annual income tax rate. The expected income tax rate was determined on the basis of the tax planning for the entire financial year.

13. Segment information

In accordance with IFRS 8, operating segments are to be defined on the basis of internal reporting, which are regularly reviewed by the company's chief operating decision maker, the Chief Executive Officer (CEO), with regard to decisions on the allocation of resources to the segments and the assessment of their profitability. The internal organisational and management structure as well as the structure of internal financial reporting form the basis for the decision as to which information is reported. The CEO obtains and reviews financial information as part of routine management reporting.

Management evaluates performance primarily on the basis of the information on sales and the contribution margin 2 reported in the management report. The contribution margin 2 corresponds to EBITDA, adjusted for indirect intercompany cost allocations. EBITDA is earnings before interest, taxes, depreciation, amortisation and impairment in accordance with IFRS. Special items in the period that are considered extraordinary are adjusted in the reported EBITDA.

Revenue by reportable segment corresponds to sales to external customers and is based on IFRS. Invoicing between Group companies is shown as a charge or credit to costs in the segments and is not included in sales. The business cost allocations are included in the contribution margin 2, while tax transfer pricing requirements are presented outside of the contribution margin 2. The NFON Group comprises a total of nine operating segments. Of these, eight are operating segments with external sales, which are presented separately below as reportable segments. The eight operating segments are NFON AG, Deutsche Telefon Standard 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 2024	H1 2023
Revenue		
NFON AG	23,797	23,256
Deutsche Telefon Standard GmbH	8,654	8,554
NFON GmbH	4,557	4,279
NFON UK Ltd.	4,239	3,875
NFON Iberia SL	233	250
NFON Italia S.r.l.	617	607
NFON France SAS	204	177
NFON Polska Sp. z o.o.	242	181
Total revenue of the reportable segments	**42,544**	**41,179**
Reconciliation	0	0
Total revenue	**42,544**	**41,179**

In EUR thousand	H1 2024	H1 2023
Contribution margin 2		
NFON AG	1,777	1,794
Deutsche Telefon Standard GmbH	3,121	2,297
NFON GmbH	1,002	493
NFON UK Ltd.	340	–183
NFON Iberia SL	4	–69
NFON Italia S.r.l.	–632	–744
NFON France SAS	–85	–113
NFON Polska Sp. z o.o.	–163	–223
Total contribution margin 2 by reportable segment	**5,364**	**3,252**
Other segments	99	102
Reconciliation	–427	–959
EBITDA	**5,036**	**2,395**
Addback:		
Depreciation and amortisation	–3,938	–3,521
Net interest income/expenses	–83	–84
Income from associates	–	–
Income tax expense	–477	–48
Consolidated result	**538**	**–1,257**

Internal reporting is based on IFRS and adjusted EBITDA. For the adjusted EBITDA, non-operating costs and one-off expenses ("special items") are deducted from EBITDA.

The reconciliation effects as at 30 June 2024 amounting to EUR –427 thousand are primarily attributable to special items adjusted in the internal reporting (EUR –473 thousand) and consolidation effects amounting to EUR 46 thousand.

The reconciliation effects as at 30 June 2023 amounting to EUR –959 thousand (EUR –999 thousand) are primarily attributable to special items adjusted in the internal reporting and consolidation effects amounting to EUR 40 thousand.

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 companies' registered offices in the respective countries.

Sales to external customers

In EUR thousand	H1 2024	H1 2023
Revenue		
Germany	31,918	31,225
Austria	4,557	4,279
United Kingdom	4,239	3,875
Italy	617	607
Spain	233	250
Netherlands	350	385
Switzerland	184	201
Poland	242	177
France	204	181
Total revenue	**42,544**	**41,179**

Non-current assets

The following table shows non-current assets with the exception of financial instruments, investments in associates and deferred taxes.

In EUR thousand	30.06.2024	31.12.2023
Non-current assets		
Germany	44,423	46,354
Portugal	159	228
Austria	435	507
Poland	179	204
United Kingdom	296	364
Italy	81	84
Spain	7	10
France	0	1
Total non-current assets	**45,580**	**47,753**

14. Transactions with related parties

There were no significant transactions with related parties in the reporting period. Such transactions have not changed significantly from the previous year.

15. Events after the reporting date

There were no events after the reporting date that had a material impact on the net assets, financial position and results of operations as at 30 June 2024:

The 100% subsidiary Deutsche Telefon Standard GmbH was merged into NFON AG with the entry in the commercial register on 11 July 2024. The merger had no material impact on the interim consolidated financial statements as at 30 June 2024.

With a notarised purchase agreement dated 21 August 2024, NFON AG takes over botario GmbH, based in Bremen. botario GmbH specialises in artificial intelligence (AI) for communication solutions. The purchase price for botario GmbH amounts to a low double-digit million euro amount (cash and debt-free), whereby a partial cash payment and a three-year earn-out period were agreed upon signing, which is linked to the future development of botario. The instalment payment on signing is made by borrowing and using the company's own cash. It is planned to finalise the acquisition in the near future and botario GmbH will be included in the consolidated financial statements of NFON AG from the date of acquisition of control.

In the year 2023, botario GmbH generated around EUR 2.1 million revenue with a EBITDA margin of around 30%.

Munich, 21 August 2024

Patrik Heider
Chief Executive Officer (CEO)

Andreas Wesselmann
The Executive Board

04 Further information

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Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for half-yearly financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Munich, 21 August 2024

Patrik Heider
Chief Executive Officer (CEO)

Andreas Wesselmann
Executive Board

Financial calendar **2024**

21.11.2024

Quarterly statement January–September 2024

The Investor Relations website of NFON AG contains the current financial calendar and other services, including information on the share price and other key figures.

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Social media

The NFON Group has an extensive presence on various social media channels: Facebook, LinkedIn, YouTube and X (formerly Twitter).
Our company blog blog.nfon.com also provides valuable insights, specialist articles and the latest news.

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