

Q1 2018 revenue: €4.6m; +19%

Robust performance in line with expectations

Continued strong international growth

PRESS RELEASE

Thorigné-Fouillard, 24 April 2018, 6:00 p.m.

Thorigné-Fouillard, France - Kerlink (ALKLK - FR0013156007), specialising in network and IoT solutions, published its third-quarter 2018 revenue today.

Group revenue grew 19% in the first quarter 2018. This expansion represents an excellent performance compared to an exceptionally strong Q1 2017 with growth of 144%. Revenue in the period was also helped by robust expansion in Asia-Pacific and growing sales of value-added applications services by the Kerlink Advanced Services BU.

Success of Group's offering with telecom operators

Revenue by business In thousands of euros	Q1 2018	Q1 2017	Change
Public operators	2,083	1,529	36%
Private operators	2,463	2,326	6%
Reference Design	45	15	200%
Total	4,592	3,870	19%

IFRS – Unaudited figures

Growth in public operators remains healthy at 36% against the comparable prior year period underlining the success of the Group's value offer in this target market. Revenue in Q1 2017 was chiefly driven by the roll-out of network infrastructure by a leading European operator.

Revenue generated with private operators grew by 6% over the period. This was in line with Group projections, given that resources have been largely allocated to gaining sales and accelerating the deployment of major projects with international telecoms operators. Potential in this market remains high, with plentiful opportunities to roll out IoT networks in multiple geographical zones. The Group is to step up its sales drive to this customer segment in coming months, combining a direct sales approach and the ramp-up of its network of integrators and value-added service reseller partners.

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Growth in value-added application services for connected objects

Revenue by Business Unit In thousands of euros	Q1 2018	Q1 2017	Change
Kerlink Infrastructure Solutions	3,057	2,943	4%
Kerlink Advanced Services	1,535	927	66%
Total	4,592	3,870	19%

IFRS – Unaudited figures

At end-2017 the Group restructured its organisation around two strategic Business Units, focused on the areas of business expected to drive the Group's growth in coming years.

The first Business Unit, **Kerlink Infrastructure Solutions**, focuses on the sale of **turnkey solutions for the Group's IoT networks**, including operator quality infrastructures and services for managing and maintaining the operating conditions of the networks it deploys.

The **Kerlink Advanced Services** Business Unit was set up to ensure the Group's solutions rank among the leading **value-added application services for connected objects**, either in complement to the Group's network solutions, or to round out other providers' solutions used by prospective clients. Sales of application services by this Business Unit grew 66% in the quarter to €1.5 million. Growth came mainly from orders taken in late 2017.

Robust growth in Asia Pacific

Revenue by geographical area In thousands of euros	Q1 2018	Q1 2017	Change
NCSA (Americas)	57	80	-29%
APAC (Asia-Pacific)	981	155	533%
EMEA, excl. France	1,026	779	32%
FRANCE	2,528	2,855	-11%
Total	4,592	3,870	19%

IFRS – Unaudited figures

The Group continued its international expansion. International revenue made up 44% of the total compared to 26% in Q1 2017. Its development in regions that are investing heavily in IoT tracks the sequential roll-out of network infrastructure projects.

In France, where strong sales with a leading operator in Q1 2017 created a challenging comparison base, like-for-like revenue fell back slightly (-11%).

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In the EMEA region, strong order book growth in the second half of the year helped the group post sustained growth of 32% in the region, thanks notably to the delivery of agreements with top players such as Digimondo (Germany), Netemera (Poland) and Proximus (Belgium). Revenue in the region was over €1 million in Q1 2018.

In Asia-Pacific, subsidiaries KERLINK SINGAPORE PTE. LTD. and KERLINK IOT SOLUTIONS INDIA PRIVATE LTD were created to serve this fast-growing market. Revenue in this region is also nearing the €1 million mark for the quarter and includes operational roll-out of the Tata Communications contract.

In the Americas, a market where the Group has only been active since September 2017, revenue remains marginal but should benefit from the Group's strong reputation among major players as they continue to deploy their technology.

Outlook: 2018, primed for sustained growth

As regards the top line, the Group is enjoying healthy sales momentum, ensuring clear visibility on infrastructure equipment revenues. Management and maintenance services should also continue to penetrate the market, based on a number of pilot operations under way.

The Reference Design service targets connected-equipment makers with a differentiated value proposition, allowing them to streamline their product design and significantly speed up time to market. Geolocation services are attracting a lot of interest from prospects in several vertical segments - industry, distribution, local authorities and operators.

In light of these favourable factors, Kerlink is confident in its ability to continue delivering strong growth this year.

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About Kerlink Group

Kerlink Group is a front-ranking international provider of end-to-end solutions for the Internet of Things (IoT), addressing telecoms operators, businesses, and public authorities worldwide. Its growing range of turnkey IoT services ranges from network planning, to design and operations management, thereby enhancing its offer of carrier-grade, market leading infrastructures. Widely recognised for its expertise in IoT, the Group regularly unveils high value-added, innovative services, such as geopositioning from the network, the remote management of connected equipment, and low-consumption IoT reference designs, enabling its clients to rapidly launch IoT devices on the market and devise innovative business models for monetizing their deployments.

In just over 10 years, more than 100,000 Kerlink installations have been rolled out in over 69 different countries. In 2017, Kerlink served more than 330 clients, including major telecoms operators, such as Tata Communications and service providers such as GrDF and Suez. Kerlink's solutions equip IoT networks worldwide, with major roll-outs in Europe, South Asia, South America and Oceania. Kerlink is a co-founder and board member of the LoRa™ alliance and has invested over €11m in research and development over the last three years. In 2017, the Group generated nearly €25m in revenues, of which it derived over 50% from international markets. Since 2013, Kerlink has been chalking up annual average sales growth of more than 62%. Kerlink has been listed on the Euronext Growth Paris market since May 2016. In 2017 Kerlink was listed on the EnterNext PEA-PME 150 index of 150 fast-growing French SMEs and in April 2018 received the Tech 40 label, which recognises the top-performing tech SMEs on Euronext's markets in Amsterdam, Brussels, Lisbon and Paris.

For more information, go to www.kerlink.fr and follow us on Twitter [@kerlink_news](https://twitter.com/kerlink_news)



Upcoming events

Revenue in the first half of 2018: 31 July 2018 after close of trade

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