

2020 Revenue: €11.2M; -14%

A first half heavily impacted by the Covid-19 pandemic
Gradual improvement in business in the second half
Return to growth in the final quarter

PRESS RELEASE

Thorigné-Fouillard, 11 February 2021, 5.45 p.m.

Thorigné-Fouillard, France - Kerlink (ALCLK - FR0013156007), specialising in network and IoT solutions, published its 2020 revenue today.

Quarterly revenue (€K)	2020	2019	Change
Q1	2,610	2,989	-13%
Q2	2,155	3,473	-38%
Q3	2,721	2,927	-7%
Q4	3,697	3,650	+1%
Total	11,184	13,038	-14%

IFRS – Unaudited figures

Q4 2020: the best level of business in 2 years

After a 1st half heavily impacted by the Covid-19 pandemic (-26%) followed by a 3rd quarter down 7% on a recovering market, the gradual improvement in business was confirmed at year end. Q4 revenue rose slightly to €3.7m (+1%), making this the best quarter for the Group in 2 years.

Sales in the second half (€6.4m) have been 35% higher than in the first half (€4.8m). Thanks to continuous, gradual improvement, annual revenue just dropped by 14%.

Private network operators: return to quarterly growth, leading players confidence, a stronger partnership ecosystem

Revenue by business (€K)	H2 2020	H1 2020	Change	2020	2019	Change
Historic & alternative telecoms operators	875	790	+11%	1,665	2,335	-29%
Private network operators	5,476	3,806	+44%	9,282	10,386	-11%
Reference design	68	169	-60%	237	317	-25%
Total	6,419	4,765	+35%	11,184	13,038	-14%

IFRS – Unaudited figures

The growing contribution of private operators to the Group's revenues has been confirmed and now weights for more than 80% of annual revenue. In this priority market segment for Kerlink, Q3 saw a return to growth (+2% on Q3 2019). Finally, Q4 sales to the same private network operators rose 8%, containing the decline in annual revenue on this customer base at 11%.

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Despite 2020's restrictive health measures, commercial prospecting maintained its momentum. The breadth of the client portfolio and the depth of the Group's offering have allowed a gradual return to growth.

The Group's partnership ecosystem has also been strengthened. At the end of the year Kerlink announced partnerships with iconic players such as **Richardson RFPD** and **Amazon Web Services**.

New contracts were also announced in 2020, reflecting commercial investments, demonstrating the accessibility and relevance of the Group's solutions and confirming the dynamic deployment of private IoT networks using LoRaWAN® technology.

Contracts have already been signed in Kerlink's three target segments:

- **Smart Cities:** in addition to historical rollouts of remote energy grid solutions for major European operators, the Group has deepened its penetration of this segment by signing a major partnership with **Pilot Things** to implement a pilot contract in Bordeaux, and more recently another with **Sensing Vision** for the fast and smooth roll-out of a municipal asset management solution (Smart City).
- **Smart Industries:** In partnership with **Smart Traffik**, a provider of analytics solutions for retailers, Kerlink has put the finishing touches on solutions that create a personalized shopping experience by improving the visitor path within point of sales. The **partnership** with Microshare resulted in a joint range of reliable and easy-to-implement contact tracing solutions for companies as a response to the COVID-19 pandemic. Finally, Kerlink and **ZENNER IoT Solutions GmbH** announced the roll-out of Germany's largest LoRaWAN® network for Netze BW, an energy, gas and water utilities company.
- **Smart Territories:** In this segment, connected and sustainable agriculture and aquaculture solutions were deployed with **GISupply** in Japan, as well as water monitoring projects in refugee camps for **UNHCR** in Uganda and Iraq and a surveillance system to monitor the activity of Mount ETNA in Italy.

In the historical and alternative telecoms operators' segment, revenue for the financial year totalled €1.7m (-29%).

Services: service revenues rise, recurring revenue sources

Revenues from services totalled €3.1m or 28% of total revenue vs 25% year on year. Sales of value-added services (operation and maintenance of IoT networks, administration and geolocation of connected equipment, Reference Design expertise and professional services) fell just 5% over the period.

Equipment sales were hit harder by the first lockdown. This led to annual revenue totalling €8.1m, down 17%.

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Revenue growth in the Americas and EMEA, marked decline in France

In 2020 53% of Group revenue was generated internationally, a significant increase on 2019 (+40%).

Revenue by by geographic region (€K)	H2 2020	H1 2020	Change	2020	2019	Change
NCSA (Americas)	340	124	+174%	464	301	+54%
APAC (Asia-Pacific)	397	341	+16%	738	890	-17%
EMEA excl. France	2,980	1,827	+63%	4,807	4,101	+17%
FRANCE	2,702	2,473	+9%	5,175	7,745	-33%
Total	6,419	4,765	+35%	11,184	13,038	-14%

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In the Americas, annual sales rose sharply (+54%), accelerating significantly at the end of the period.

APAC (Asia-Pacific) business was encouraging at the beginning of 2020 but was dampened by the effects of Covid-19. The lockdowns have delayed projects for some of the Group's customers in this part of the world.

Revenue in the EMEA (Europe, Middle East and Africa) excluding France rose 17% against 2019. The drop in French sales was mainly associated with historic telecoms operators.

A solid growth dynamic at year end and a well-filled 2021 order book mean Kerlink can look forward with confidence to the next few months while maintaining the caution demanded by pandemic developments since the start of the year. Beyond this, the Group remains confident of its ability to weather the crisis thanks to its firm grip on its finances and a commercial and technological range of products that has now found its market.

About Kerlink

Kerlink Group is a leading global provider of connectivity solutions for designing, launching and operating public & private Internet of Things networks. Its comprehensive product portfolio includes industrial-grade network equipment, best-of-breed network core, operations and management software, value-added applications and expert professional services, backed by strong R&D capabilities. Kerlink specializes in providing future-proof, intelligent IoT connectivity for three major domains: **Smart Cities** – metering, parking, street lighting, waste management, air quality, building & facilities, asset monitoring... **Smart Industries** – fleet & asset tracking, energy & utilities, oil, gas & mining, airports, harbors, infrastructure, manufacturing, retail... and **Smart Territories** – precision agriculture, environment protection and rural towns & regions. Kerlink has deployed its hardware and software solutions in more than 120,000 installations with more than 330 clients in 69 countries. Based in France, with subsidiaries in the US, Singapore, India, and Japan, Kerlink is a founding and board member of the LoRa Alliance® and the uCIFI Alliance™. It is listed on Euronext Growth Paris under the symbol ALKLK.

For more information, visit www.kerlink.com/ or follow us on Twitter @kerlink_news.

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Upcoming Events

2020 Full year results & 2021 Q1 Revenue

15 April 2021, after market close

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