

First-half 2021 revenue: +59% to €7.6m (vs. H1 2020)

Sustained recovery in all business activities in Q2 2021: +79% to €3.9m (vs. Q2 2020)

Acceleration in the US driven by the roll-out of Helium's IoT network "The People's Network"

PRESS RELEASE

Thorigné-Fouillard, 22 July 2021, 5:45 p.m.

Thorigné-Fouillard, France – Kerlink (ALCLK - FR0013156007), specialising in IoT networks and solutions, published its first-half 2021 revenue today. **Group revenue totalled €7.6m in the first half, for a 59% increase compared with first-half 2020.** The Group posted an excellent second quarter, driven in particular by the sales of stations intended for roll-out in the Helium network: +79% compared with Q2 2020, which was particularly affected by the health crisis, and +11% compared with Q2 2019.

The improvement in business activity in the first quarter was confirmed in the second quarter. The Group is benefiting from:

- Its **leading position on the IoT connectivity market**, allowing it to take full advantage of the global recovery under way following the impact of the pandemic in 2020 and trade restrictions owing to border closures;
- Its aggressive strategy of gaining market share through **an ecosystem of distribution partners, which was expanded in 2020 to include emblematic players** (such as Amazon Web Services, Richardson RFPD, Cal-Chip Connected Devices) in various geographical regions;
- New market opportunities with **innovative technological solutions driven by the Group and its technical partners**, including Microshare and Smart Traffik;
- **Recurring revenue** with its long-standing clients.

Increasing contribution from private network operators

Revenue by business line In thousands of euros	Q2 2021	Q2 2020	Change	Reminder Q2 2019	H1 2021	H1 2020	Change	Reminder H1 2019
Private operators	3,564	1,885	+89%	2,912	6,847	3,975	+72%	5,359
Historic & alternative telecom operators	292	270	+8%	563	731	790	-7%	1,103
Total	3,856	2,155	+79%	3,475	7,578	4,765	+59%	6,462

IFRS – Unaudited 2021 figures

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Private network operators accounted for over 90% of Group revenue in the first half, demonstrating the success of Kerlink's strategic shift towards these players for more than two years. Sales prospecting momentum was maintained in 2020, resulting in the strengthened identification of new prospects for this type of customer.

In addition, the **sales initiatives carried out in 2020 served to double the number of distribution partnerships formed with players in the IoT ecosystem**. This strategy, aimed at increasing the Group's outlets for promoting its solutions, is producing results. It is enabling Kerlink to generate strong revenue growth from private network operators. Sales at 30 June 2021 in the private market segment were up 72% compared with H1 2020 (€6.8m versus nearly €4.0m) and 28% compared with 30 June 2019.

Strong growth in equipment sales in the second quarter

Revenue by type of sale In thousands of euros	Q2 2021	Q2 2020	Change	Reminder Q2 2019	H1 2021	H1 2020	Change	Reminder H1 2019
Equipment	3,084	1,451	+113%	2,753	6,009	3,184	+89%	4,815
Services	772	704	+10%	720	1,569	1,581	-1%	1,647
Total	3,856	2,155	+79%	3,473	7,578	4,765	+59%	6,462

IFRS – Unaudited 2021 figures

More heavily impacted by health restrictions in 2020, **equipment sales benefited the most from the recovery in activity**. Revenue from these sales exceeded €6m in the first half, compared with €3.2m in 2020 and €4.8m in 2019.

Over the period, the Group recorded sales growth resulting from the partnership with Cal-Chip Connected Devices, as part of the deployment of the long-range and low-consumption IoT network of the US company Helium. This network is based on Helium's LongFi™ technology, which combines the LoRaWAN® wireless protocol with Helium blockchain technology, allowing any LoRaWAN® sensor to transfer data via the network.

Revenue from service offerings (operation and management software for IoT networks, value-added applications and expert professional services) was stable at €1.6m over the period.

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Take-off in US sales

Revenue by geographic region In thousands of euros	Q2 2021	Q2 2020	Change	Reminder Q2 2019	H1 2021	H1 2020	Change	Reminder H1 2019
NCSA (Americas)	460	51	+802%	87	1,314	124	+960%	112
APAC (Asia Pacific)	228	158	+44%	68	485	341	+42%	342
EMEA (Europe, Middle East, Africa)	3,168	1,946	+63%	3,319	5,779	4,300	+34%	6,008
Total	3,856	2,155	+79%	3,473	7,578	4,765	+59%	6,462

IFRS – Unaudited 2021 figures

In the **Americas region**, the positive trend in sales owed largely to revenue from the partnership with Cal-Chip Connected Devices in the United States. The agreements signed with Microshare also contributed to the region's strong take-off, with **half-year revenue having increased by a factor of ten** year on year.

In 2020, business activity in the **APAC region** (Asia Pacific) slowed significantly owing to the effects of the crisis. New business has illustrated a pick-up in activity in the last few months in some countries in the region. Business activity is increasing in Japan despite the health emergency measures still in force at the beginning of the third quarter. Overall, **revenue in the Asia-Pacific region rose 42%** to €0.5m in the first half.

In the **EMEA region** (Europe, Middle East, Africa), **revenue was up 34% compared with the first half of 2020**. Revenue came out at €5.8m, close to the total in first-half 2019 (€6.0m over a comparable period, business activity at the time having been carried out in part with telecom operators).

2021 Outlook

Since the beginning of the year, growth momentum has continued and the order book is still very strong. It allows Kerlink to approach the end of the year with confidence despite the caution imposed by the evolution of the health situation and continuing tensions on supply prices and lead-times of certain electronic components. Having strengthened its financial position through a highly successful fundraising in April, Kerlink is in a position to supplement its industrial capacity for the coming months and meet growing demand for equipment.

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About Kerlink

Kerlink Group is a leading global provider of end-to-end connectivity solutions for designing, deploying, and operating public & private low power/wide area (LPWA) Internet of Things (IoT) 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 enabling future-proof intelligent IoT connectivity for three major domains: Smart City & Quality of Life – urban operations, utilities & metering, retail & public places, infrastructure & hubs, health; Smart Building & Industry – buildings & real estate, industry & manufacturing, asset monitoring & tracking, and Smart Agriculture & Environment – precision agriculture, cattle monitoring & farming, environment & climate, and wildlife protection. More than 140,000 Kerlink installations have been rolled out with over 350 clients in 70 countries. Based in France, with subsidiaries in the US, Singapore, India and Japan, Kerlink is a co-founder 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

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Upcoming events

H1 2021 consolidated results

23 September 2021, after market close

www.kerlink.com



Investor contact:

Actifin
Benjamin Lehari
+33 (0)1 56 88 11 25
blehari@actifin.fr

Financial Press contact:

Actifin
Isabelle Dray
+33 (0)1 56 88 11 29
idray@actifin.fr

Press and Market Analysts contact:

Mahoney Lyle
Sarah Lyle
+33 (0)6 75 85 60 42
syle@mahoneyle.com



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