

Q1 2022 Revenue

Slight increase in activity despite late receipt of semiconductors postponing some projected Q1 equipment revenue until April
Recognition of initial cryptocurrencies revenues



PRESS RELEASE

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[Kerlink](#) (AKLK FR0013156007), a French network and IoT solutions provider, published its first quarter 2022 revenue today.

Following strong revenue growth (+78%) during the 2021 financial year, Kerlink maintained a high level of activity in Q1 2022. Sales stood at €3.8m, up slightly by 2% compared with Q1 2021.

The expected outputs for this quarter should have been significantly higher, but they were impacted by a too late receipt of semiconductors that did not allow the manufacture by 31 March of the batches of equipment initially planned for delivery over the quarter. These productions were in progress at the end of the period and the revenues associated with these delays will be added to those projected for the second quarter.

Growth in service revenue, initial cryptocurrencies revenue (HNT)

| Revenues by type of sales | Q1 2022 | Q1 2021 | Change |
|----------------------------------|--------------|--------------|-----------|
| In thousands of euros | | | |
| Equipment | 2,753 | 2,925 | -6% |
| Services | 982 | 797 | 23% |
| Sub-total – IoT Solutions | 3,736 | 3,722 | 0% |
| HNT cryptocurrency revenue | 62 | 0 | NA |
| Total | 3,798 | 3,722 | 2% |

IFRS – Unaudited figures

Sales momentum in **network infrastructure equipment** was **temporarily slowed** in the first quarter by these production delays. Equipment sales accounted for 72% of sales in the quarter.

Kerlink nevertheless continues to be supported by a record order book, while delivery commitments from its suppliers enable it to anticipate a return to strong growth in the second quarter.

Service sales trended positively, up 23% in the period. Service revenues now account for 26% of total revenues.

In addition, **first HNT (Helium Network Token) revenues were recorded during the first quarter**. These come from the mining carried out by the first gateways deployed by Kerlink in partnership with some of its customers and from proof-of-coverage operations on the network launched by the American company Helium.

These revenues represented €62,000 over the period and, notwithstanding the HNT price momentum, should rise with the increase in the number of gateways deployed as part of this HNT revenue sharing model between Kerlink and its business partners.

As a reminder, the Helium network has a global reach. It offers long-range, energy-efficient public wireless coverage. Its deployment is made possible by Helium's LongFi™ technology, which combines the LoRaWAN® wireless protocol with Helium blockchain technology, allowing any LoRaWAN® sensor to transfer data via the network.

By creating its blockchain, the Helium network decentralised IoT network coverage, paving the way for the deployment of an open wireless network, capable of combining various LoRaWAN® stations and available worldwide, in a cost-effective way.

Through the deployment of the Helium network, Kerlink's gateways are becoming increasingly popular. With their carrier grade manufacturing quality, robustness and interoperability, the latter are a privileged choice for private players looking for a reliable LoRaWAN® network with the possibility of a rapid return on investment through cryptocurrency mining.

Strong momentum in Smart Building & Industry

As a reminder, from this quarter, the Group has decided to report the breakdown of its revenue according to its three main areas of activity:

- **Smart Cities & Quality of Life:** combining multiple market segments such as smart energy meters, smart building management, public lighting management systems, waste management, parking space administration, air quality measurement, remote equipment supervision and management, etc.
- **Smart Agriculture & Environment:** covering the smart farming segments, environmental protection with software and network solutions for food processing and safety, livestock monitoring and management and animal welfare.
- **Smart Building & Industry:** covering areas of building occupancy supervision, air quality and atmosphere monitoring, asset management and air maintenance and pollution.

| IoT revenue by main areas | | | | |
|------------------------------------|--------------|--------------|------------|------------|
| In thousands of euros | Q1 2022 | Q1 2021 | Change | % of total |
| Private operators | 3,126 | 3,283 | -5% | 84% |
| Smart Cities & Quality of Life | 683 | | | 22% |
| Smart Building & Industry | 2,248 | | | 72% |
| Smart Agriculture & Environment | 195 | | | 6% |
| Historic telecoms operators | 609 | 439 | 39% | 16% |
| Total IoT Solutions | 3,736 | 3,722 | 0% | |

IFRS – Unaudited figures

Private network operators accounted for nearly 84% of the Group's IoT revenues at the end of March, with revenue down slightly, impacted by delivery delays. Among the areas addressed by Kerlink, Smart Building and Industry accounted for nearly 60% of the Group's revenues in the first quarter.

Accounting for over 40% of greenhouse gas emissions worldwide, this is the market segment in which Kerlink solutions should be very relevant by enabling companies to limit their energy bills and meet their sustainable development goals.

Production delays affecting Americas, growth in other regions

| IoT revenue by sales areas | Q1 2022 | Q1 2021 | Change |
|-------------------------------------|--------------|--------------|-----------|
| In thousands of euros | | | |
| NCSA (Americas) | 696 | 854 | -18% |
| APAC (Asia-Pacific) | 292 | 257 | 13% |
| EMEA (Europe, Middle East & Africa) | 2,748 | 2,611 | 5% |
| Total IoT Solutions | 3,736 | 3,722 | 0% |

IFRS – Unaudited figures

The Group's offer has increased in the Europe, Middle East and Africa (EMEA) region and the Asia-Pacific (APAC) region. The Americas (NCSA) region is in temporary decline, having been particularly affected by production delays.

Confirmed confidence in 2022

Although the industrial environment was still demanding at the start of the 2022 financial year, as it continued to be impacted by lockdowns in China, disrupting the logistics supply chains for semi-conductors, **Kerlink continues to be supported by favourable outlooks, driven by a wide variety of projects and a solid order book**, which is still well-oriented.

The Group's fundamentals remain solid, enabling it to be **confident in the financial year ahead**.

About Kerlink

Kerlink Group is one of the world's leading providers of connectivity solutions for the design, rollout and operation of public and private networks dedicated to the Internet of Things (IoT). Its comprehensive portfolio of solutions includes industrial-grade network equipment, best-of-breed network core, network operations and management software, value-added applications and expert professional services, backed by strong R&D capabilities. Kerlink specialises in access to smart and scalable IoT connectivity for three main areas: Smart cities and quality of life – urban operations, energy distribution and metering, retail and public places, infrastructure and trade centres, quality of life and health; Smart Building and Industry – buildings and real estate, industry and manufacturing, asset monitoring and tracking; and Smart Agriculture and Environment – precision agriculture, livestock monitoring and farming, environment and climate, protection of fauna and flora. More than 200,000 Kerlink installations have been deployed at more than 350 customers in 70 countries. Based in France, with subsidiaries in the United States, Singapore, India and Japan, Kerlink is a founding member of the boards of the LoRa® Alliance and the uCIFI™ Alliance. It is listed on Euronext Growth Paris under the symbol ALKLK.

For more information, please visit our website at www.kerlink.com.

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