

2022 revenue: €18.9m

Service revenue up more than 20%

Decline in equipment revenue in the Americas
4th quarter at nearly €6m, mainly in the IoT core business



PRESS RELEASE

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Kerlink (AKLK FR0013156007), a specialist provider of IoT (Internet of Things) networks and solutions, published its 2022 annual figures today.

Revenue for the year came to €18.9m, down 5% compared to 2021. Revenues from services rose by more than 20% and partially offset a decline in equipment revenue.

In 2022, the collapse of the cryptocurrency market weakened some of the Group's customers whose business model was essentially based on stable HNT cryptocurrency prices. During the 4th quarter, the Group was forced to cancel certain orders for equipment placed by customers no longer offering the necessary solvency guarantees.

Q4 revenue was down compared to the same period in 2021. The Group recalls that the last quarter of 2021 was strongly boosted by sales of equipment intended for the deployment of the Helium network, creating an unfavourable comparison effect on a comparable period given the evolution of the cryptocurrency market throughout the 2022 financial year.

Nevertheless, Q4 sales came to nearly €6m, mainly in the Group's core IoT business which remains solid, with a better diversity of the customer portfolio than in 2021.

Decline in equipment revenue and growth in services revenue

Revenue by type of sales <small>In thousands of euros</small>	2022	2021	Change 22/21	Q4 2022	Q4 2021	Change Q4 22 / Q4 21
Equipments	14,170	16,048	-12%	4,695	7,846	-40%
Services	4,623	3,827	21%	1,235	1,272	-3%
Sub-total – IoT Solutions	18,793	19,875	-5%	5,930	9,118	-35%
HNT cryptocurrency revenue	104	0	NA	6	0	NA
Total	18,897	19,875	-5%	5,937	9,118	-35%

IFRS – Unaudited figures

Sales of network infrastructure equipments accounted for 75% of sales of IoT solutions in H1 2022. After an increase at 9 months to +16%, they were down 12% at the end of 2022 after the end of deliveries for the deployment of Helium networks, which were still planned during the 4th quarter.

On the other hand, service sales continued their favourable trend, up 21% on a comparable period, reflecting the Group's steady development in this segment.

Growth in Europe and sustained development in Asia-Pacific, sharp decline in the Americas

Revenue by geographical area <small>In thousands of euros</small>	2022	2021	Change 22/21	Q4 2022	Q4 2021	Change Q4 22 / Q4 21
NCSA (Americas)	1,498	5,274	-72%	298	3,613	-92%
APAC (Asia-Pacific)	2,883	1,665	+73%	652	879	-26%
EMEA (Europe, Middle East & Africa)	14,516	12,936	+12%	4,987	4,626	+8%
Total	18,897	19,875	-5%	5,937	9,118	-35%

IFRS – Unaudited figures

Over the year, the **Asia-Pacific** region was dynamic, with sales up 73% despite health restrictions that had an economic impact on the region throughout the fiscal year. Revenue amounted to €2.8m vs. €1.7m in 2021.

The Group's supply continued to increase in the **EMEA region**, with activity up 12%, bringing together private operators, service integrators and historical telecom operators, and revenue in the region came to nearly €15m.

In 2021, sales in the **Americas (NCSA)** were mainly driven by deliveries to customers involved in the deployment of Helium HNT networks, particularly in the 4th quarter (€3.6m). Annual sales in 2022 were down, with a significant impact on the last quarter. To revive this region, the Group has initiated strong prospecting initiatives in its IoT core business, based on a relevant and recognised offer, for which it hopes to see the benefits materialise in the coming years.

2025 targets confirmed

With a deliverable order book for the financial year of €8.6m, communicated on 19 January, the level of commitments for 2023 is comparable to that of 2022 for Kerlink's core business scope.

At the start of the year, the Group is fully committed to winning new orders.

Given the context mentioned, Kerlink's priority today is to develop its business around three strategic pillars:

- **Free the Internet of Things** by adopting technologies and best practices to densify cellular networks, thanks in particular to the development of Edge Networking (enhancement of equipment capacities to adapt to new types of networks);
- **Target the massive IoT** by strengthening partnerships with key players, vertical integrators and service providers in strategic areas that have already been identified and in which a significant effort has been made, such as technical building management, agriculture and the remote reading of water and gas meters, for example;
- **Strengthen the Group's activity with its "private networks" customers** by offering ready-to-use solutions and continuously improving the customer experience (easy use, rapid deployment and simple operations) for distributors, integrators and users

To succeed, the Group will continue to rely on its installed base, its international reputation and its capacity for innovation.

With its engagement and commitment to succeed in 2023, Kerlink is on track to achieve its 2025 ambitions, set out in its 2025 Serve IoT plan, to exceed €40m in revenue combined with an EBITDA target of 15% of revenue in 2025.

Breakdown of 2022 revenue by segment

Revenue by area of activity <small>In thousands of euros</small>	2022	2021	Change 22/21	Q4 2022	Q4 2021	Change Q4 22 / Q4 21
Private operators	16,032	17,794	-10%	5,408	8,122	-33%
Smart Cities & Quality of Life	4,847			2,190		
Smart Building & Industry	9,490			2,684		
Smart Agriculture & Environment	1,695			533		
Historic telecom operators	2,761	2,081	33%	523	995	-47%
Total IoT Solutions	18,793	19,875	-5%	5,931		
HNT Cryptocurrency revenue	104			6		
Total	18,897	19,875	-5%	5,937	9,118	-35%

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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. More than 200,000 Kerlink installations have been deployed at more than 350 customers in 70 countries. Kerlink is a founding member and board member of the LoRa® Alliance and the uCIFI™ Alliance. It is listed on Euronext Growth Paris under the symbol ALKLK.

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